China weekly Review

密勒氏評論報

FOREIGN RELIEF & CHINA'S FAMINE

SHANGHAI'S NEW PLAYS

WILLIAM BERGES

JOURNEY FROM SHANGHAI TO TIENTSIN

CHINA'S FINANCES & FOOD
an official report by Chen Yun

APRIL 22, 1950

JMP 5,000

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of the China Weekly Review.

SHANGHAI STATION

To the Editor:

It is just one year since I had occasion to visit Shanghai's North Station. What a change has taken place! I could not but be struck by the sharp contrast of the well-run appearance and cheerful atmosphere of the station today with the chaotic crowding and bristling military control a year ago.

Everything is well arranged. Pedicabs may not enter the yard, but redcaps are waiting at the gate, to be hired as needed without confusion or argument. Overlooking the well swept yard a large portrait of Chairman Mao attracts the gaze. There are soldiers on guard duty and a number of police on patrol, but gone are the menacing looking gendarmes with steel helmets and glaring eyes. You only see healthy young men in ordinary uniforms.

Inside the station, from time to time clear announcements are made over the loud speakers; at other times excellent music is broadcast. A number of people were looking with interest at a notice board which carried photographs and short news items of railway workers who had been awarded prizes for exceptional achievements in their work.

Crowds there still are, but those waiting for trains do so in well defined queues. Among the many people you could not find a sign of military brass so common in former days, with their swarm of aides and elegantly dressed friends. Although the trains are full, there is no mad fight to get into the carriages, nor people riding on the roofs and lashing themselves on in the doorways as we saw last year. As for the soldier travellers, you cannot help staring at them—so many rosy cheeked, well-fed and happy looking young men—and recall, as from a bad dream, the pathetic, ragged, half-starved creatures of the Kuomintang forces who were camping all over the station twelve months ago.

Baggage was examined and handled smoothly and efficiently. Passports and other papers requested and inspected in a courteous manner. As one country woman passed through the platform barrier with a heavy load slung over her shoulder, a ticket inspector gave her a helping hand to make her burden more secure. For one group of travellers a rousing send-off by friends included the singing of some of the popular new songs. You certainly got the impression that this was the people's railway station, for the convenience and comfort of the ordinary citizen.

C. M. C.

Shanghai
April 11, 1950

WISE MEN OF GOTHAM

To the Editor:

Recently I read your reply to Simmons' smear of your magazine. I could not help wondering why a publication like the Review which is devoted to truth, justice and righteousness and beloved by all conscientious mortals, both Chinese and foreigners, should have become offensive to Simmons.

As things stand now, your country, especially the White House, I suppose, has turned itself into a city of Gotham. The likes of Truman, Acheson and Simmons must be the "truly wise men." And so you and all the progressive and enlightened people in your country are evidently "fools" in the eyes of the wise men of Gotham. But I can't understand why and how on earth none except the "reds" and "fellow travellers" value peace above all and care for the progress and welfare of all mankind. Maybe in the long run our Lord will rise up and say: "Blessed are the 'reds' and 'fellow travellers,' for they have done what is right and just. Let them, and only them, come into the Kingdom of Heaven!"

China, which is confronting all sorts of difficulties and hardships that have existed all along these many decades, is like a person who has been stricken with tuberculosis and is now under the care of a very skilled physician—the Chinese Communists—and is progressing quite satisfactorily. But we can't expect the patient to get out of bed overnight and walk steadily and eat two or three bowls of rice. No such miracles can be performed by doctors. It will take some time before the patient gets completely recovered.

We Chinese have faith in a bright future both for our country and for the whole world.

Even if the White House tenants and the Wall Street men will not believe it, the facts and events now taking place in China speak louder than their words. We are now having a taste of new democracy and new freedom and know they are quite delicious.

The developments in this country in the next five or ten years will prove my statements as being absolutely correct, and I am glad to think that my children and my children's children will enjoy a bright and peaceful life and will be able to contribute toward the cause of everlasting peace and eternal prosperity of the world. As for myself, I am content to know that my job is to plough and plough and plough, and never care how little I shall reap during my lifetime. However, I must live to see China develop into a socialist state and become a nation as strong and healthy as Soviet Russia now is. I hope you will agree with me.

MAN IN THE STREET

Shanghai
April 8, 1950

AMERICAN STUDENTS

To the Editor:

I would appreciate if you would publish the enclosed "Open Letter to American Students."

* * *

Dear Fellow Students:

It has been a long time since I wanted to write you and I wish to avail myself of this opportunity to say to you what I have long cherished in my mind.

What do you think about your government's policy? Have you ever thought about this question? If not, I think you would do well to ponder over it awhile because whatever your government is doing has as much to do with you as with all the other American people. Are you satisfied with the policy your government has been carrying out? In my opinion, the correct answer to this question should be "No." And I think it urgent for the people of all strata in your country who are, to some extent, oppressed and exploited, to unite against the poisonous policy of your dictatorial government.

Now let me tell you a well-known story, which may be of interest to you. It runs as follows:

Once a father had four sons. Each of them pursued his own way. They would not unite and they suffered greatly from their disunity. One day the father summoned all four to his presence, gave each of them a stick, and ordered them to break it. They easily succeeded. And then he took out a bundle of sticks and asked them to break it in turn. No matter how hard they tried, they failed to break the bundle and at last all four gave up. Then the father said in an emphatic tone, "Remember, union is strength!" Having learned such a valuable lesson, the sons made up their minds to unite as closely as possible. Many a difficulty has been easily overcome by means of cooperation.

(Continued on Page 140)

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(Editor & Publisher, 1918-1947)

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THE BACKWARD NATIVES

SOUTHERN Rhodesia's prime minister, Sir Godfrey Huggins, who is currently visiting London, called a press conference recently to "explain" some of the "problems" Britain faced in Africa.

Sir Godfrey was upset by the Seretse Khama case and therefore wished to put the press and public straight on a few "facts" about Africa. He criticized the British press for "grossly over-magnifying" the difficulties which Seretse found himself in following his marriage to a British "white" woman. Sir Godfrey also took to task the "large body of public opinion" in Britain which was trying to "force political responsibility on to the native."

He said that "this carping, uninformed criticism may have the effect of forcing our people (Africa's European settlers) into the reactionary camp. We would like to see a bit more practical interest in our approach to this problem and let there be a little less misinformed criticism."

Continuing, he said that it would be irresponsible to give "such a dangerous weapon as the vote" to a people who still tried to solve their problems by "studying the entrails of a goat."

* * *

ACCORDING to Sir Godfrey the African natives are not yet ready for political responsibility and thus it would be irresponsible for Britain to "force political responsibility" upon them and, what's more, the vote in the hands of these backward natives would constitute a "dangerous weapon."

Even if this should be true, we may well wonder why?

The bulk of Britain's African territories were acquired—mainly through a number of wars against native African states or against other European colonial powers—in the 19th century. Some were taken as long ago as the 18th century, while the African empire was finally rounded out during the first half of this century by the addition of territories formerly belonging to other European countries.

Considering this long occupancy by such an advanced, civilized power, how is it that the native Africans, according to Sir Godfrey, still seek to solve their problems by the "studying of goat entrails?" One would imagine that a century, more or less, would be sufficient time to educate and enlighten the most backward and primitive of peoples.

While statistics can be misleading things, "The Statesman's Yearbook" lists quite a few interesting items, such as the sums expended on native education in Britain's African territories, including Sir Godfrey's home province of Southern Rhodesia.

In 1941 Southern Rhodesia's total population was 1,453,000, of which 68,954 were Europeans, 6,521 were Asiatic and "colored," while the remaining 1,378,000 were natives. The administration of the area is in the hands of a governor, an executive council and a legislative assembly. The powers of the assembly are restricted by law, it being forbidden to interfere in such matters as taxation, native administration, the fixing of the governor's salary and so on.

Under the constitution, native councils may be established, and in 1937 authority was passed for the establishment of such councils. However, the "Yearbook" fails to mention whether any councils have in fact been established, or if they have, what their exact functions, powers and so on are.

In 1944 there were a total of 74 state and state-aided schools of various levels for European children which had a total enrolment of 11,809. In addition there were 13 private schools with 653 European students. There were also 16 schools for colored children, including Eurafricans and Asiatics, with a total enrolment of 2,001 pupils.

There were 1,691 schools for native pupils, with a total enrolment of 140,329.

Thus, we can see that of the combined non-native population, about one out of every six is in school, while only about one out of every 10 of the native population is a student.

However, the most revealing thing which these figures disclose is that the government spends approximately £31. 10s. per year on the education of each non-native (European, Eurafrican, and Asiatic) student, but spends only about 14s. per year on the education of each native student.

One can easily imagine the different quality of education handed out to the European and native students, since we may presume that the difference in expenditure shows up in parallel differences in educational standards, such as quality of teaching, and in physical plant, such as school buildings, laboratories and the like.

Although "The Statesman's Yearbook" does not give any detailed figures on the numbers of primary, secondary and higher schools, perhaps a clue may be found in educational figures for another African possession, Nigeria. There, the "school age" for natives is set as between 7 and 14 years of age.

Turning to justice, the "Yearbook" describes the organization of the judicial system and then reports: "Natives are subject mainly to the same laws as Europeans, though there are special restrictions relating to arms, ammunition and

liquor, and there are laws particularly applicable to natives, such as those dealing with marriage, taxation and registration and passes.

"Native commissioners have jurisdiction in civil and criminal matters in which natives only are concerned. . . ." This system bears striking resemblance to the old mixed court setup in China when cases involving foreigners and Chinese were tried by foreign consular authorities.

In the matter of revenue and expenditure, the statistics are also revealing. In the year ending March 31, 1944, Southern Rhodesia spent £1,453,326 for military air training, £1,270,049 for its other military forces, £468,356 on its police force, £919,560 toward retirement of the national debt which then stood at £22,747,582, and £450,491 on education (total after deducting school fees collected). Various other smaller sums were expended upon improvement of irrigation, public roads, and so on.

Income was derived from a variety of sources, chief of which was the income tax which netted £5,952,178. Customs duties and excise taxes bright in £1,294,741, while revenue from operation of state administrations such as the posts, telegraphs, and so on came to £476,748. Mining taxes and royalties accounted for £536,942. The "native tax" brought the treasury £453,341, while the sale of stamps and licenses of various kinds totaled £155,160.

Although the two biggest items were for military purposes, 1944 was still a war year so it is difficult to determine how much of that expense was of an extra or non-regular nature. However, debt retirement and police costs were each greater than the total sum spent on education—and about 75 percent of this sum, it must be remembered, was spent on the education of the children of the European settlers who constitute less than one-twentieth of the country's population.

In any event, it is easy to see just what it is that so burdens the economy and which has resulted in a state debt of more than £22,000,000. Principally, it is derived from the country's share in wars waged between the British Empire and various other European countries, in which the "prize" is colonial areas such as Southern Rhodesia. Secondly, it is derived from internal police expenses, a large portion of which is incurred in policing the natives.

Thus Sir Godfrey's "backward" natives are forced to foot the bill for military and police activities aimed mainly at keeping them in their present colonial status.

* * *

REVIEWING these figures we find it not so difficult to understand Sir Godfrey's concern lest the "dangerous weapon of the vote" be given to the natives of his home state. If they should by some chance secure this "weapon" they might well decide to vote less money for their own policing and more for their own education. Eventually, they might advance so far from their present status of "studying goat entrails" that they would vote the handful of European settlers, who now run the country, out of office. And if this happened, where would Sir Godfrey be?

25 Years Ago In *The China Weekly Review*

Bibles and Bombs

April 18, 1925

A picturesque though somewhat inaccurate answer to the above question (Who Sells the Guns to China's War Leaders?) was given in recent statements of David Lloyd George, former Prime Minister of Great Britain. When discussing the recent Chinese civil war in the British press, Mr. Lloyd George said among other things, "Where have these arms come from? As usual the countries that send missionaries have also supplied the guns. The Bibles and the bombs have come from the same resourceful and adaptable nations."

These statements were inaccurate in that they conveyed the impression that the countries that send the legions of Christian missionaries to China are the same nations that supply to the warring factions of China the huge quantities of arms and ammunition consumed in internal strife. In other words Mr. Lloyd George's statement might be construed as meaning that foreign countries which send missionaries to China also ship to China quantities of arms more or less in proportion to the number of missionaries in the field.

From: "Who Sells the Guns to China's War Leaders?" by Peter S. Jowe

Railway Control

It is not strange that these wonder-working lines of steel rails, which were to so large an extent subject to the control of one or another foreign interest, became each the nucleus of an influence which was both economic and political. They became, in fact, the primary means of economic and political penetration of China by the several powers; and each became, at least potentially, the basis for the assertion of a sphere of influence and for consequent claims to "special interests" and a particularly favored position. Such claims were at times asserted consciously, with a deliberate implication that the property interests involved were such as required for their protection the acknowledgment of privileges superior to the governmental rights of China and to the treaty rights of third parties. There have also been occasions where the foreign control of railways, without actually asserting any superior rights, has nevertheless resulted in practical trade advantages to citizens of a given nationality, as against all others. These discriminations have seldom been so pronounced as to present a concrete issue.

From: "Problems of Foreign Capital in China" by J. V. A. MacMurray

10 Years Ago In *The China Weekly Review*

Suckers?

April 20, 1940

As Norman H. Birnkrant, executive vice-president of the Detroit Junior Chamber of Commerce pointed out:

"It will be evident that we are suckers if we continue to cooperate with Japan in building up her industrial and military machine for any temporary favorable balance of trade which we may enjoy, due to the military supplies which we contribute to Japan. Although Japan, as a result of her military needs, is temporarily our third best customer, we are Japan's best customer, taking up to 45 percent of Japan's annual total exports to world markets, whereas Japan has never taken as much as 10 percent of our exports in any one year. This year we have supplied Japan about 55 percent of her war materials, and since the outbreak of the European War, this figure has jumped to about 75 percent."

Indian Intellectuals Jailed

The London New Statesman and Nation reported last week, according to Transocean, that a campaign of arrests is going forward against intellectuals in India and that the number taken into custody is so great that the British authorities have been obliged to erect 12 new prison camps to accommodate them. Students at a college in Calcutta, the report also stated, have deserted their classes and gone on strike to protest against repressive measures.

Foreign Relief and China's Famine

A Chinese newspaperman analyzes offers of foreign aid, surveys country's food position; would welcome non-political relief but believes China can feed herself.

FOR the past several weeks the foreign press and radio have been reporting that we are starving. There are several reasons for this "sad state of affairs," among the most important of which according to the *Voice of America*, is the "fact" that our government is so under the thumb of the Soviet Union that it is shipping food from starving China to feed the Russian imperialists. Another frequently cited "reason" is the "fact" that the Peking authorities deem it wise, and indeed necessary, to feed the troops luxuriously, even if this means starving some of the people.

So widespread has this story become that press agency dispatches and radio broadcasts from abroad, particularly America, are replete with "analyses" of the serious famine situation in China written by various commentators and China experts. To lend authenticity to their "studies" these stories quote at length from interviews with anonymous "businessmen" and other travelers reaching Hongkong and from accounts — often only partially excerpted—appearing in various Chinese newspapers.

Foreign Relief Offers

Recently a number of people abroad—some of whom are sincere friends of China and some of whom are self-seeking politicians— have begun to talk of sending aid to the Chinese people. In the United States this "relief" movement is led by such shrewd political figures as Senator Knowland and Secretary Acheson.

Despite the mismanagement and venality of the Chinese government, which has resulted in "widespread starvation," they say, the American people would still like to help the Chinese people. Therefore, they declare, the American government is willing to send relief food to the people of China.

The *Review* has already commented editorially upon the offer of Messrs. Knowland and Acheson, expressing doubt as to just how genuine were the "humanitarian" feelings of these two men.* However, it seems to me that this offer needs further studying.

In his original proposal Senator Knowland said that an American mission similar to the one headed by the former US president, Herbert Hoover, in Europe after the first world war should be sent to China to supervise the distribution of the aid. What, exactly, does Senator Knowland have in mind? Herbert Hoover's relief mission to Europe, we know, while indeed supplying food to many victims of the war, also played its share in the power politics of the day. Food, in Hoover's hands, became a political and economic weapon.

For instance, Hoover supplied food to aid the areas of Russia "liberated" by the Czarist remnants which were supported by the foreign interventionists. Hoover showed plainly that he was primarily interested in feeding the hungry only if the hungry were anti-communist or were controlled by anti-communist governments. Is this what Senator Knowland has in mind for China?

Our ECA Experience

However, we do not have to go so far afield as Russia in order to obtain examples of how foreign relief can be related to foreign political and other aims. At the time of the liberation of Shanghai, there were on hand considerable stocks of undistributed American ECA relief supplies. The ECA immediately let it be known that it wished to continue operations and dispose of the remaining stocks for the benefit of this area's needy people.

Consequently, talks were held as to how this was to be done. These conversations lasted until less than a month ago—almost one year—when the local authorities, learning that the ECA supplies were deteriorating rapidly, entered the picture with a request that a speedy solution be reached. No agreement was arrived at with the ECA representatives and the stocks were subsequently requisitioned by the authorities and are now being distributed in areas where the need is greatest.

Why, one may ask, was it impossible to reach agreement with the ECA officials? At the beginning of the negotiations just after Shanghai's liberation, the local private relief and welfare agencies formed a joint organization to discuss this matter with ECA. Time and again agreement was almost reached on methods and procedures for distribution, but each time, when the moment to begin unloading the godowns actually arrived, ECA raised a last minute objection and insisted that further "discussions" be held. In this fashion the distribution was delayed and delayed until last month when the local authorities finally lost patience and insisted that the goods be distributed before they rotted.

Our experience with UNRRA also failed to satisfy our doubts about the real purpose of American aid. Despite the expressed sentiments of the UNRRA charter, we know that virtually all UNRRA supplies were funneled into those sections of China controled by the Kuomintang, while only a few small shipments — large portions of which consisted of almost totally useless materials — went to the extensive areas of the country then occupied by the People's forces.

In the last analysis, UNRRA served mainly as a supply organization for Chiang Kai-shek's government, and as a source of personal enrichment for KMT officialdom.

In view of past experiences with American relief agencies, there is little doubt in my mind but what our new government will refuse to consider any aid scheme which is "conditionally" offered.

We have no assurance, for instance, that the "supervision" which Senator Knowland and Secretary Acheson mention will not be a mere repetition of past situations in which the supervising authorities will show themselves more interested in methods of distribution—many of which are openly designed to discredit the government in the eyes of the people—than they are in the actual task of getting relief to the needy.

Considering the fact that the American government has made no attempt to conceal its displeasure over recent developments in China, there arises another and very important point which we must consider. We know that in the past many American relief "supervisors" in China and other countries have served as intelligence agents.

It is no secret, for example, that the large number of studies and investigations which UNRRA carried out in many parts of China were made available to various agencies of the American government. Many of these studies, far from being mere surveys of current economic or social conditions, which might have been necessary to determine relief needs, consisted of dozens of pages of detailed reports, including maps and photographs of rail, road, and water networks, port facilities, factories, mines, and so on.

The American government, we know, thus obtained a large amount of statistical and other vital data about our country. Could it be that Secretary Acheson hopes to resume this practice under the cloak of a "humanitarian" gesture?

Expected US Reaction

If, as I am convinced, our government takes a very wary and cautious attitude toward this relief proposal, what will be the American government's reaction? Undoubtedly Secretary Acheson and Senator Knowland and their friends will cry loudly that the Central People's Government is heartless, that it is willing to see the people suffer rather than to take aid from abroad. I would almost be willing to wager that this will be their "line" so certain am I that the entire aid offer is more political than humanitarian.

In fact, there was never any necessity for Senator Knowland and Secretary Acheson to announce publicly that they "desired" to aid us, but were "afraid" that they would be unable to do so because of "restrictions" by our government. They could have simply made a donation to any one of the reputable private

**China Weekly Review* April 15, 1950

relief organizations already in the field. Their failure to take advantage of established relief channels and their obvious desire to "argue their case" in the American press before taking so much as one concrete step can only increase our doubts.

* * *

We Are Not Starving

WE now come to the second major point. Just what is the degree of the food shortage and just how much is China in need of foreign aid?

Actually, we shall be able to get along without foreign help. While we are short of food, the shortage is not disastrous and we shall survive until the next harvest. Why, one may ask, has the opinion been spread throughout the world that half of China is starving?

There are several reasons. It was obvious last fall that there would be widespread food shortages, with famine in some areas, before the next harvest. There were several unmistakable indications of the coming difficulty.

First, the KMT, in its last "defense" of the mainland, destroyed and weakened dikes, leveled standing crops, slaughtered livestock, conscripted peasants from the fields for transport duty, etc. Second, prior to its evacuation of each area, it did its best to commandeer and carry off all available food stocks. In Shanghai, for instance, rice and other supplies were being shipped to Taiwan for weeks prior to the liberation so that when the PLA entered the city it found it virtually without food.

If any of us still had doubts about the seriousness of the food situation, they were dispelled by last year's floods which saw the highest water mark in nearly 20 years. Because of the destroyed and damaged dikes, plus the fact that reservoirs and streams had been allowed to silt up since the outbreak of the Sino-Japanese War, the floods caused particularly heavy damage.

Realizing the seriousness of the situation, the new authorities immediately did something which the KMT never dared to do. It took the people into its confidence. It told them that conditions were bad, that there was certain to be famine before the next harvest and warned that the country must tighten its belt.

In the past we have had famine in varying degrees in one or more sections of the country almost every year. The KMT's method of coping with the problem was as unique as it was useless.

First, the news was generally played down until such time as the ruling political cliques had had time to invest in food, which was certain to jump in price. Then, while with one hand appealing for foreign aid to help the country tide over the "unprecedented" disaster, the government soothed the people with the other, minimizing the seriousness of the situation and trying to obscure the fact that huge sums had been appropriated the previous year to prevent just such an event.

In the KMT days flood and famine were two of the juiciest plums which Nanking's politicos fought over. Relief funds and monies appropriated for preventive work designed to forestall a repetition of the disaster were one of the main sources of enrichment for the KMT officialdom.

The UNRRA files are full of examples of dikes, upon which great sums of money had been spent, crumbling the following year when hit by the first spring freshet. In more than one instance, the China Relief Mission, the predecessor of ECA, was called upon to rebuild dikes which had in theory been built or repaired upon one or more occasions with UNRRA monies.

Only Poor Affected

In the past it was common knowledge that famine only affected the poor people, that the officials never starved. Stories of relief workers investigating a famine area being entertained at banquets by local officials are legion.

Likewise, it is well known that in past years, no matter whether there was famine or a good harvest, rice and other foods went begging in many surplus areas because little or no effort was ever made to shift extra supplies from these localities to regions of scarcity.

In some of the richer districts, surplus-producing farmers who would normally be expected to prosper, actually sank deeper into debt with each passing year because there was no market for their surplus grain. Thus, the great efforts now being made to distribute grain evenly throughout the country act as a double-edged weapon. The hungry are fed, while the producers are provided with a market.

One of the first steps taken by the new authorities was to inaugurate a country-wide government austerity program aimed at saving as much food and materials as possible so that they could be shared with the people living in the affected areas. Shanghai's officials, including the mayor, went on austerity rations so as to save food, while paper, electricity and all other materials consumed in government offices were conserved.

The public, through the schools, newspapers, and various private relief and welfare organizations, was urged to do its share by avoiding all unnecessary expenditures. The bowl of rice movement, the ounce of rice a day movement, the program for converting the PLA into a production army as well as a fighting army were all part of the campaign.

Entirely New Approach

Such an attitude and approach to an old problem was new to China and a number of people, especially those who basically do not understand the many and great changes which have come to this country, apparently believed that the entire nation was on the brink of starvation. With no "background" other than their experiences under the KMT to draw upon, they naturally assumed that if the government was so exercised, the situation must indeed be desperate. They failed to realize that they were seeing the beginning of the campaign which was to end in almost complete victory over the famine.

Another reason why the picture appeared blacker than it actually is was because the new government underestimated the amount of food which would be grown this year and its own ability to tranship it from one area to another.

The "underestimation" of their own power in coping with "enemies," be they Kuomintang troops or famine, has become a characteristic of the new authorities. This same quality of approaching difficulties and problems with caution is also becoming a habit of the people themselves. It is in striking contrast to conditions under the KMT when the government regularly overestimated its own abilities and underestimated its problems. Instead of bland assurances of success, leading inevitably to disaster, we now take a realistic view of problems, set our goals rationally and then, by extra hard work, are able to reach or sometimes even exceed them.

This is what has happened all along the line in the fight to beat the famine. China's farmers, especially in Manchuria, raised larger than scheduled crops, the railway workers labored overtime in reorganizing and reconstructing the rail system thus transferring grain from surplus to deficit areas in greater quantities and in a shorter time than originally planned.

Credit must also go to the people of Shanghai and other cities who have saved more food than was at first thought possible, and who thus enabled the surplus areas to ship more food into the famine districts than otherwise would have been possible. Likewise the better-than-

Repairing the dikes of the Yellow River—Wu Yun

expected results of the efforts of government workers who have gone into the famine areas and aided the stricken peasants to organize themselves into cooperatives and to undertake various sideline jobs such as weaving, fishing, dike repair and so on, must also be included.

What, then, is the exact picture? While it is still too early to give conclusive figures, it now seems evident that comparatively few people have actually starved this past winter. It would be foolish and unrealistic, though, to pretend that there has been and is no difficulty. There have been difficulties and there will be many more before the next crop is harvested. Many people have died from malnutrition and exposure this last winter and quite possibly many more will die this spring, but, compared with previous years, the loss is probably no greater—and possibly much less.

Latest estimates place the total number of people affected by adverse harvests at about 40,000,000. Of these, some 7,000,000 faced a serious shortage of food. However, not all of the 7,000,000 needed urgent relief. More exact figures are not yet available. However, we know that there is sufficient food for all of those facing famine. From Manchuria alone more than 1,000,000 tons of grain have been received in North, East and Central China, while huge supplies from Szechuen are just now beginning to flow into the deficit areas in full force.

Distribution Is Problem

The problem now is not so much one of food shortage as it is of distribution. Because of the way the country's rail network (which was built almost entirely by foreign interests) was laid out, there are vast areas of the country without any direct means of communication with the "outside" other than by means of small country lanes—sometimes only footpaths.

Thus, it is often more feasible to remove grain from a surplus area lying not far from a famine area via a well developed waterway or highway to some more distant deficit area, while supplying grain to the famine area from another surplus area which may be farther away but better connected.

This situation has in fact been the case in Kiangsu, parts of which have been particularly seriously affected by flood and famine and some parts of which have not been affected at all. Grain from some of the surplus areas in south Kiangsu has been used to help build up Shanghai's food stocks—which now stand at a record six months' supply. Meanwhile, the deficit areas in north Kiangsu have been supplied from the "other side" by shipments from places such as the Northeast.

The difficulty of securing adequate distribution of available food stocks was well illustrated by Vice-Premier Chen Yun who, in his report (see page 138—editor) on the nation's economy, stated that in many places the expense of transporting grain exceeds the price of the grain. On the average, he pointed out, the transportation cost equals the original cost of the grain.

The country's illogical and underdeveloped transport system thus hampers the shifting of grain and all other commodities. Of course this will not always be the case since already many new road and canal projects are under way. In addition, construction has begun on several new sections of railway. However, for quite some time, we will continue to experience considerable difficulty in evenning up supply and demand throughout the country.

In any event, we have almost certainly seen our worst flood and famine year since most of the existing dikes have been strengthened and raised to levels greater than ever before, while hundreds of new dikes, settling basins, canals, and drainage ditches have been and are being constructed at full speed along the courses of the rivers which perennially give the most trouble.

WHAT does the situation add up to? We are in no great need of Acheson's and Knowland's aid. Admittedly, we have all had to tighten our belts to get through this winter and spring season, but we now see that we shall make it.

If foreign aid were forthcoming on a genuinely friendly and non-political basis, I, for one, would be glad to accept it from American, British or other foreign friends. However, if it has strings attached to it, I shall prefer to save my ounce of rice a day, to eat more vegetables and less meat, to walk instead of riding whenever possible, to wear my old clothes an extra season and to make such other economies as I can in order that our own food and other materials may be stretched to bridge the gap.

— *TAO WEI-LIEN*

"Gang System" of Labor Control Abolished

For decades the transport workers and coal miners in China have been under the despotic control of gang leaders or foremen who were tied up with feudal societies and secret agents. The government has now issued an order abolishing the gang labor system in coal mines and transport work.

* * *

A MAJOR change for two of the most exploited groups of workers was reported by the *New China News Agency* with the decision of the government, based on the proposal of the workers, to abolish the age-old system of hiring laborers through foremen.

During the days of KMT rule when the mines were run by either bureaucrats or private individuals, the miners were constantly exploited under the system whereby, fresh from bankrupt homes in the countryside, they were easy pickings for foremen who signed them up under binding contracts. The foremen, mine police and Kuomintang officials forced the miners to work in the pits from before daybreak until after dark. More than half of their earnings went to the foremen. In one colliery in North China, the incomes of 11 foremen far exceeded the total incomes of the 8,000 miners hired by them.

Gang leaders also held life-and-death rule over transport workers. According to a special correspondent of the *NCNA*, records of the existence of the gang system go back beyond the beginning of the Manchu dynasty, 300 years ago.

Workers in the power of such gangsters generally had no knowledge of the amount of their earnings which went to their masters. Chief gangsters in Swatow grabbed 55 percent of the total income, smaller fry took 33 percent and the remaining 12 percent was divided among the laborers who did all the work.

Through their feudalistic control, the gangsters were able to charge fantastic prices for loading and unloading goods. It cost as much to unload goods into warehouses at Hankow as it did to transport them upriver from Shanghai to that city.

It was much the same story in all the cities before liberation. The workers, who were anxious to get out of the grip of the gangs, were held under control by a great network of secrecy and terrorism, for many of the gang leaders in addition to serving as Kuomintang secret agents, controlled feudal superstitious societies, Taoist and Buddhist secret groups and a host of organizations under a variety of sinister sounding names.

It was common practice for the gangsters to set up fake "trade unions" in order to fool the workers and the government. This was the case in Peking, where only last month 29 ringleaders of a highly organized gang, which preyed on the porters and passengers at Peking's railway station, were arrested by public security forces.

With the help of the Peking trade unions, a porters' trade union was organized and many joined at considerable risk to themselves. The "contractors" did everything they could to undermine the union, while continuing to rob and blackmail passengers.

Such gangs are now being smashed in all the big cities. With the gang leaders out of the way, rates for handling goods have fallen sharply, while the living standard of the workers has risen.

* * *

THE directive issued by the Government Administration Council requires that the people's governments of the cities should organize transport companies with the assistance of the unions concerned and all transport workers with one year's standing in transport are eligible to join the unions and take part in the work of the companies. All private transport companies may continue to operate under the unified schedule of rates laid down by public transport companies in consultation with private companies.

Four Modern Plays

SHANGHAI'S THEATER

William Berges

THE new Chinese drama has recently had a remarkably varied spring growth in Shanghai. Two dramas, written and produced in Peking after liberation, have had long runs to packed houses, while two others, old favorites from the old liberated areas, are equally successful.

The two most popular new plays deal in terms of the greatest realism with questions of the day. One, "The Song of the Red Flag," set in a cotton mill, shows how several women workers, together with the management and political director, meet and solve the problems of a revolutionary change in their conditions of work. The other, "The Ideological Problem," takes a group of assorted young people, places them in one of the new colleges for political training, and shows how their characters and thought are changed to equip them to serve the people.

These two plays are "talking dramas"—that is, straight dramas, produced naturalistically. The two old liberated area plays combine spoken dialogue and song in much the same way as was done in "The White Haired Girl." One, "Wang Kuei and Li Hsiang Hsiang," based on a famous and well-loved poem written back in the Yenan days, is a charming love story which unfolds amid the harsh events of famine and civil war in a northwestern village. The other, "Liu Hu Lan," tells of a courageous girl member of the Communist party, who organized her village to resist the landlords and to aid the Eighth Route Army, and who bravely met her death at the hands of the KMT. But her spirit lingered, and the end of the play sees her village finally liberated.

"Wang Kuei and Li Hsiang Hsiang" was formerly played in north China as an operetta, with singing and spoken dialogue, in the northern style. Here in Shanghai it is being produced by a Hsiaohsing company, all of whose members are traditionally women, and although the Hsiaohsing dialect is for the initiate only, the story is easily followed and the production is excellent. The tragic scenes are done with great realism and the love passages are delightful.

"Liu Hu Lan" is less tender and depends rather heavily upon brutality and horror for its effect. These are accentuated by overplaying, which at times approaches caricature, as in the depiction of the KMT officer. The horror is typified by the death of Liu Hu Lan, which ends one act: she is caught and the village is forced to accuse her. They refuse and are beaten; she is finally forced to put her head under a large hinged knife, used for cutting up fodder, and the knife comes down with the curtain ending the act.

The contrast between these two types of drama is interesting indeed. The old liberated area plays were evidently intended for country audiences, with their more direct appeal and their great length—sometimes running over four hours. Their development is in terms of action, sometimes extremely violent. But the new plays show that they are aimed at new audiences, urban audiences who presumably can afford less time at the theater—these plays run three hours only—and who are less impressed by violent action than by ideas.

This is not to say that these plays are intended for the intellectuals only. By its subject-matter and treatment, "The Song of the Red Flag" is primarily intended for the workers. And there is considerable action and a change of scene, but essentially, the play is a "think-piece." It shows, very effectively, how one worker refuses to cooperate with her fellow-workers in the production contest. She is suspicious and resentful, she is convinced that all the talk about the new role of the workers in society is just so much talk.

But as the play progresses, we see why she is like that. We see her home, where she lives with her crabbed old mother, whose only idea, when her daughter loses her job, is to get it back by bribing the factory management with presents. We learn what her past life as a worker, under the exploitation and oppression of the old regime, has been. Finally, we see with her that the new way is not corruption, bribery, squeeze, and tricking the workers; that only by genuine cooperation will everyone benefit; and the play ends on a happy and encouraging note.

Other types are effectively portrayed. Ma Fen-chieh's little toady, whose legacy from the old ways is to depend upon such a relationship to get along; the worker who is "too far left," who wants the millenium today, or tomorrow at the latest but who lacks understanding of the human problem antagonizes everyone; and the manager, whose only idea is to carry on in the old way, to cow the workers into submission. The political directors are represented as kindly but firm, who explain, explain, explain, and by moderate and considerate action bring the workers and the old management to an understanding of a truly social way of working.

"The Ideological Problem" deals with other areas of the same basic difficulty: how to change the outlook of those who, to defend themselves against the injustices of the old society, developed weapons useless or harmful in the new. As the play opens, a group of students just beginning their course at the school are shown in their "raw" state. The group leader is another impatient leftist, too much so, who also antagonizes eyeryone by his impatience and scolding. The vice-group leader is much more reasonable and pleasant, who works hard to get the group into shape. The main character has undergone an American-style education, is puffed up with his own intellectual superiority, despises the school and its regulations, and, despite his self-imagined theoretical knowledge, cannot understand the true role of labor in society. So he will not attend classes, will not participate in the school work-brigade, and behaves entirely as he wishes.

Others are the young son of a landlord family, who is always up to mischief and is continually getting into fights; a former KMT minor official, whose chief lesson in life has been to cringe and scrape in the hope of avoiding trouble; a former KMT army man, bluff and direct; a KMT spy; and a young city Miss, whose head is full of dancing, chic dress, movies and make-up.

The development of these disparate characters during the play is of absorbing interest. From a simple collection of mutually antagonistic, self-seeking atoms, who are thrown together by hazard, the end of the play sees a real group formed from individuals who have, in the process of living, learning and working together, rid themselves of character defects and understand something of the social and political construction of the new society.

The production given these two plays is excellent. Sets are realistic and attractive, and scene changes are done in an amazingly short time, evidencing good teamwork backstage. Acting deserves special mention; some of the actors have been drawn from the cinema in Shanghai. The movement of the plots is quick, despite many long expository speeches, and climaxes are well built up. With such an inauguration, the new theater holds great promise, and more plays are eagerly awaited. With "The Song of the Red Flag" in its 122nd performance and "The Ideological Problem" in its 55th, these two plays seem well settled in for a long run.

"Liu Hu Lan"

CHINA AFFAIRS

NATIONAL

Government Ratifies Treaty

THE Central People's Government Council has ratified the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance, the Sino-Soviet Agreement on the Chinese Changchun Railway, Port Arthur and Dairen and the Sino-Soviet Agreement on Granting of Credit to the People's Republic of China signed in Moscow on February 14.

The main point on the agenda of the meeting, the sixth since the formation of the Council, was the ratification of the treaty and the two agreements. Participating in the meeting were 43 top ranking government figures. In addition, there were 170 people in attendance by invitation. The first speaker was Premier and Foreign Minister Chou En-lai who reported on the treaty and agreements. After a discussion on the report, in which a number of members took part, Chairman Mao Tse-tung made a short speech and then the resolution ratifying the treaty and agreements was put to a vote and unanimously carried.

The meeting of the Central People's Government Council also heard a report on work in Central and South China by General Lin Piao and a report on work in southwest China by Teng Hsiao-ping.

No Widespread Famine

A PEKING dispatch by the special correspondent of the London *Daily Worker* denied reports, mainly emanating from correspondents in Hongkong, of widespread famine in China. According to the story from Peking, "The Chinese government has ample food for all needing help. The only problem, transport to deficiency areas, is being overcome rapidly."

The correspondent further stated: "Among the 40,000,000 population in areas where harvest was devastated by the war last year, 7,000,000 need some assistance, but only 1,000,000 are dependent mainly on the government for food until the spring harvest in two months' time. They are old people, disabled, widows and children. Manchuria already has sent over 1,000,000 tons of grain southward and more is available.

"All areas now have ample grain centrally—even surplus—but the backward nature of China's transport, owing to its imperialist development, provides a complex task of distribution." The correspondent also touched upon the point that "the factors present would have led to unprecedented disaster if the Kuomintang were still governing."

The dispatch ended on the note: "Everyone here is confident of their ability to deal with the situation, which is less serious than formerly, and is contemptuous of the propagandists sitting in Hongkong inventing non-existent catastrophes."

Grain Being Transported

GRAIN supplies are reaching their destinations in East China, Central and South China as well as other neighboring areas as a result of the tireless work of food transport headquarters and the transport workers themselves, according to a *New China News Agency* report dealing with the task of reshuffling grain throughout the country.

East China already has received one-third of the grain ordered from the surplus grain areas of Central-South China, Manchuria, Szechuen and other provinces. Grain is pouring in rapidly. Food transport headquarters now has branch offices and depots in Chungking, Hankow, Changsha, Nanchang, Kaifeng, and many other main communications centers. Trucks, steamers, boats and other river transport are being fully employed to fulfil this huge task.

Central-South China, which is one of the main grain producing areas of China, is providing 750,000 tons of grain for neighboring provinces and particularly places within Central-South China. The whole of this vast operation will, it is expected, be completed during May. Supplies that have already arrived have been sufficient to stabilize commodity prices and reshuffling of grain supplies on this scale is making sure that no town or village will go short.

A further 600,000 tons of grain were delivered from the Northeast to areas south of the Great Wall since January and surplus grain from other parts of China was reported to be pouring into areas formerly short of this vital product. During the past three months, the government has allotted more than 500,000 tons of grain which is being used as payment for peasants taking part in water conservancy work, the dispatch further reported.

From the rich Northeast comes word that two provinces alone intend to raise their output of grain by nearly 1,000,000 tons over last year's supply. Heilungkiang has proposed to raise its crop by 78,000 tons, thus bringing it to 4,000,000 tons which would be 90 percent of the highest yield under Japanese occupation. Meanwhile, the province of Sungkiang is to increase its grain crop by 150,000 tons and thereby arrive at a total of 2,600,000 tons.

This planned increase represents nearly one-fifth of the total increase for the country called for under the government's national plan for agriculture.

FORECAST of an imminent liberation of all of Hainan was made in a joint proclamation issued to the people of the island by the South China Branch of the Central Executive Committee of the Chinese Government, the Canton Military Zone of the PLA and the Canton Provincial Government.

The proclamation emphasized the following points: 1) Inhabitants of Hainan must cooperate closely with PLA forces. 2) Only those KMT elements who choose to remain with their forces to the last will face PLA annihilation. 3) Steps should be taken to preserve all industrial, transportation and mining installations as well as warehouse and agricultural properties and prevent KMT sabotage and destruction. 4) All industry and business should continue as usual and spring planting should proceed without abate. 5) The people of Hainan and Kwangtung should help the PLA in the acquistion of necessities. The cost will be borne by the government.

To the uneasy KMT "island empire" this latest warning might easily bring back recollections of similar warnings served them prior to their loss of the China mainland.

PLA on Hainan

UNITS of the People's Liberation Army have already landed on Hainan island and preparations are under way for the continuing of the campaign to liberate all of Hainan, according to General Lin Piao, Chairman of the Central-South China Military and Administrative Committee. General Lin brought this point up in his report to the Central People's Government Council.

According to the same report, "The biggest and most difficult campaign in the Central-South China area was concluded on Dec. 12 of last year when the PLA occupied Chen Nan Kuan, on the southwestern frontier bordering on Vietnam. Pai Chung-hsi's troops, except for a fraction which fled across the border, all were annihilated."

In most cities and counties under the jurisdiction of the Committee, people's representatives conferences have been held, and in villages and local centers 500,000 peasants have participated in village and local peasant representatives conferences. Through these conferences connections have been made with the people. All important questions such as mopping up of bandits, the struggle against rural despots, rent and interest reduction, the collection of public grain and taxes, the rehabilitation of production and overcoming the food shortage were discussed at the various conferences, Lin Piao reported.

Trains to Tientsin

REPORTS from abroad to the contrary, foreigners wishing to leave Shanghai were doing so via Tientsin. Foreigners have been going by rail to Tientsin in steady streams since the beginning of the month and, according to the local British-owned *North China Daily News*, "travelers find themselves subjected to a positive minimum of inconvenience. The train journey is reported to be good, and the necessary processes of obtaining

clearance in Tientsin are carried through with reasonable celerity and a courtesy which calls for considerable praise...."

The attempt by the British to send the 6,000 ton vessel Anking into Shanghai was abandoned following the refusal of the Kuomintang to grant her a safe passage. Hongkong reports stated that prior to the KMT action the Chinese government in Peking had granted the ship permission to proceed from Hongkong.

Cadre School Opens

AN experimental middle school for worker and peasant cadres has opened in Peking and its aim is to complete in three years all major courses usually covered in a middle school in six years.

After passing entrance examinations, 120 students, including 24 women, were admitted. They had been recommended by government institutions, army units and people's organizations. Their ages range from 16 to 30 years and all students have had at least three years' service in the revolutionary cause as well as a standard of education approximating one of primary school level. The school is divided into three classes and a concise curriculum has been especially worked out with emphasis on Chinese and mathematics. All tuition costs and living expenses are covered by the government.

By the end of June, 26 schools of this nature are scheduled to begin classes in different parts of the country. On the basis of experience gained from these initial schools, workers and peasants middle schools are to be established gradually on a big scale throughout China. A further aim of these schools is to provide workers and peasants with sufficient general and scientific education to enable them to go on to universities and fill the vast need for trained personnel.

FOREIGN AFFAIRS

British Barracks

THE Peking City Military Control Committee of the PLA has requisitioned the former British barracks in that city. The action was carried out following the issuing of an order to the former British Consul for the requisition of the property and requiring him, within one week, to appoint a person responsible for the handing over of the barracks.

The former British barracks occupied an area of approximately 60 *mou* (one *mou* equals one-sixth of an acre) and about 800 rooms. On January 6, the Peking City Military Control Committee issued a proclamation calling for the requisition of barracks of foreign countries. In accordance with the January proclamation the former US, French and Dutch barracks were returned to China.

Banks Abroad

OF the 19 Bank of China branches abroad, 11 have restored normal relations with the Peking head office, according to Kung Yin-ping, Head Manager of the Bank. These branches are in Hongkong, Singapore, London, Penang, Kuala Lumpur, Calcutta, Bombay, Karachi, Chittagong, Rangoon and Jakarta.

The *NCNA* reports that the Bank of China has become a bank principally concerned with the handling of foreign exchange. Since liberation, it has done excellent work in helping exports, transferring remittances of overseas Chinese and controlling foreign exchange, according to a statement made by Head Manager Kung in his report to the bank's Board of Directors at a recent meeting in Peking.

ACCORDING to a report in the Shanghai *Hsin Min Pao*, the People's Bank is in possession of 60 percent of the nation's total currency issue. It was reported that within 20 days after the announcement of the Government Administration Council's resolution last month to centralize financial and economic work, the Bank came into control of cash funds (including deposits) equivalent to 60 percent of the currency issue. This information was supported by the fact that during the 20 days commodity

Journey from Shan

The writer of this report planned originally to return to America from Shanghai on the General Gordon. When, due to the failure of the American President Lines to make proper arrangements, the Gordon bypassed Shanghai, leaving more than 1,000 scheduled passengers high and dry, he took advantage of facilities extended by the Chinese authorities to permit foreign residents of Shanghai and adjacent areas to leave instead by the northern port of Tientsin. His experience may be duplicated by a number of other foreigners in China during the next few weeks.

* * *

Tientsin, April 14.

WE arrived at Tientsin on schedule last Tuesday morning after a most interesting journey. It was not yet daylight when we presented our travel permits to a friendly Public Security Bureau officer outside the entrance to the North Station. It required only a few minutes to register, as there was no baggage examination, and we learned from one of the hotel representatives who appeared out of the early morning mists that rooms were available at the Court Hotel. We were squeezed into a charcoal-burning taxi alongside our luggage and, after a bit of cranking of the charcoal mechanism, we were off in a cloud of white smoke.

For the benefit of those who may be planning to ship out of this port let me say that so far it has been comparatively simple. Naturally, one must comply with regulations and register with the General Public Security Bureau and later with the PSB station in the locality where one is temporarily residing. It is also necessary to present your record of inoculations at the local Quarantine Office. At all of these offices one is courteously received and registration takes only a few minutes.

We were told that hand luggage is examined at the time of embarkation in the presence of the passenger. Freight is examined by the Customs in the presence of the agents of the forwarding companies, who prepare all the necessary documents in English and Chinese. We suggest that all luggage be accompanied by complete lists of the contents of each handbag, case or trunk. This enables the Public Security men and Customs examiners to expedite their examination and saves considerable time.

One last point for the edification of the prospective traveller to Tientsin: The food at the Court Hotel and the Astor House is not very inspiring, and my suggestion would be to take luncheon and dinner at the Victoria Restaurant.

And now about the trip itself. Although we started off with second class coach tickets, we were able to procure compartments in the sleeper after we got underway. There is a dining car where reasonably good food may be had—with no tipping—and, of course, tea is available.

The morning of the first day found us seated at the open windows eager to glimpse as much as possible of the passing countryside. For hours we rolled through the flat, broad plain of North Kiangsu, stopping only briefly at towns and cities whose names figured prominently in the news during the victorious sweep of the People's Liberation Armies toward the Yangtze.

At several points we saw great numbers of people laboring on dike repair projects, while farmers could be seen working on the land. On all sides were signs of intense activity with PLA men working side by side with local peasants, drawing water, repairing roads, rebuilding.

Late Monday afternoon we entered the rugged, hilly terrain of Shantung province, in many respects reminiscent of Szechuen in West China. The cultivated areas were rich and green and here, as in North Kiangsu, we found the same degree of intense activity in town and country.

The farmers and workers we saw all along the way looked healthy and well-nourished. Having heard lurid tales in Shanghai of "starvation in North Kiangsu and Shantung," we were prepared for scenes of misery and privation. We saw none. Perhaps such conditions actually exist in other parts of these provinces, but we neither saw nor heard anything that would remotely indicate the presence of famine in the areas through which we passed.

The one thing that we did see that impressed us tremendously was the thousands of acres of reclaimed farm land which, in some cases, extended

prices throughout the country remained stable.

Negotiate with Dutch

THE Central People's Government has accepted the Charge d'Affaires ad interim appointed by the Netherlands government to conduct negotiations in Peking on diplomatic relations between the two governments. Wang Ping-nan, Director of the General Office of the Ministry of Foreign Affairs of the Central People's Government replied that the Chinese government was willing to establish diplomatic relations on the basis of equality, mutual benefit and mutual respect for territory and sovereignty.

Meanwhile, in The Hague, Foreign Minister Dirk Stikker told Parliament that recognition of the Chinese People's Republic was the only way to protect and promote Dutch economic interests in China. Recognition, he claimed, should be seen in a wide international connection in view of the importance of promoting regular traffic between all nations.

Shanghai to Tientsin

right up to the railroad right of way. Every inch of arable land in the rocky, mountainous reaches of Shantung is being carefully cultivated.

In every town and city we could see results of the program of construction that began immediately after liberation. Alongside the heaps of cement and rubble that once had been KMT pill-boxes and "strong-points" were newly erected buildings and various industrial and storage facilities. All along the line were evidences of the concerted drive for production. Railway repair and maintenance crews could be seen replacing equipment which had fallen into disrepair and decay, and repair crews were busily engaged in repairing installations that had suffered serious damage at the hands of the defeated KMT forces.

In the railway stations the results of organization were easily apparent. Station employees, porters and guards stood smartly at attention when the train entered and left the station, and the food vendors were lined up in orderly fashion at the back of the platform, out of the way of passengers. We saw remarkably few beggars.

Occasionally I spoke to PLA men from our windows or chatted with people on the platform while stretching my legs while the train waited in the station. At only one station, Tsinan, were we asked to show our exit permits. Two young English-speaking PLA men came aboard the train and, after checking our papers, asked what we had in our bags. After being told that we had no foreign currency they waved toward our half-opened luggage to indicate that they did not intend to look through it and thanked us and left.

Tientsin has been a revelation. The most impressive thing to the newly-arrived is the spirit of the people. Having been liberated for one and a half years, the people have had more time to study and learn the significance of the revolution, and they certainly show the results of their learning. Last evening while returning to our hotel around five o'clock we encountered great numbers of workers returning from work. They walked around with an easy confidence and lightheartedness, and many were singing snatches of people's songs. Quite a few were wearing buttons and insignia bearing photos of Mao Tse-tung and Chu Teh.

We have talked with waiters, pedicabmen, businessmen and clerks, and the majority of them expressed confidence in the future of the New China and its present leadership. One pedicabman, a youth of about 18, spent most of the time en route from one office to another plying me with questions about world affairs. When he learned we were headed for New York he asked if I knew about "Hua Chieh." I was puzzled at first, but after some further exchange it became clear that he was referring to Wall Street, where, as he put it, "big financiers were plotting a third World War." He expressed his regrets that he could not drive me around after a certain time, since he must attend study classes.

Although some businessmen complain about high taxes there is nothing surprising about this. As in other port cities, the foreign community has lived a life of comparative luxury and special privilege which must now become modified and adjusted to the new situation. The hotel owner here regards the new regime favorably although he, too, has felt the pinch of taxation.

On the whole, business conditions here are good and the streets are bustling with activity. Seemingly endless lines of wooden carts pulled by donkeys may be seen transporting all manner of goods to and fro. Yesterday we saw four huge truckloads of locally manufactured bicycles passing.

Obviously, during the 18 months since liberation the authorities have restored and expanded production and trade, and one gets the feeling that all emphasis is placed on these two factors. There is no "night life" to speak of and what there is is poorly patronized. I did not see one bar room. Several foreign-type hotels have dancing establishments where Chinese hostesses dance with Chinese, mostly in foreign-style dress, to American jazz music. Apparently, no attempt is made to interfere with this "Westernized" pastime so long as certain regulations regarding the ages of the hostesses, etc., are complied with.

— *F. T. D.*

SHANGHAI

Labor and Capital

AT a regular meeting of the City Government, Deputy Mayor Pan Han-nien pointed out that the Labor Bureau in handling labor disputes must follow the principle of "mutual benefit for labor and capital." The opinion of the industrialists must be given consideration so that the function of the Labor Bureau may be carried out satisfactorily and labor disputes settled in a proper manner. The Bureau must correct certain inclinations which have been found in current disputes, the Deputy-Mayor said.

Simultaneously, Pan declared that the registration of unemployed workers and the establishment of employment agencies should be the major tasks of the Labor Bureau. He also said that in compliance with instructions from the Administrative Council of the Central People's Government preparations should be started by the Labor Bureau in conjunction with the Shanghai General Labor Union to establish the Shanghai Transportation Corporation.

Self-sufficiency Attained

SHANGHAI'S municipally operated public utilities have become self-sufficient and the city government has thus decided to discontinue subsidies to these enterprises. This has followed reorganization work of six months' duration. The enterprises include the Public Transit Company, the Shanghai Ferry Company, the Pootung and Western Shanghai Waterworks, the Woosung Gas Plant and 10 other companies.

During the June-December period last year the city spent 10.62 percent of its total expenditures in order to subsidize these concerns. A left-over from the KMT regime, these city-owned utilities were in dire financial straits at the time of liberation last May. Since liberation, reorganization and retrenchment have been carried out thoroughly and, at the same time work efficiency has also been raised, it was reported.

Union Solidarity

SHANGHAI trade union members have decided to donate one day's pay for the relief of their unemployed comrades. A far cry from the days of the constantly harrassed unions under the KMT, the eighth meeting of the standing committee saw the Shanghai General Labor Union pass a resolution calling for such an action.

The resolution stated that as a result of the port blockade and enemy bombings, many workers have been thrown out of work. Members of trade unions who are employed shall contribute one day's pay or more before the end of April to help their fellow workers, the resolution said. The money is to be handed over to the General Labor Union which will be responsible for distributing it to the needy unemployed.

Articles of Interest:

The Counter Blockade Campaign

Shanghai's workers, says the Giefang Rhbao, have scored some brilliant initial successes in their fight against the KMT blockade. Reviewing the achievements of the first six months following liberation, the paper points out how the effects of the blockade were overcome through the implementation by the government and the workers of the "now famous six major tasks."

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THE article praises "the heroic work of the seamen, who raised and repaired hundreds of ships" sunk by the retreating KMT in a last orgy of destruction, "and that of the railway workers in restoring the lines for transportation within a very short space of time." The writer recalls: "After Shanghai was liberated, it was found that only 5,000 tons of coal stocks remained in the city. These, and 40,000,000 catties of foodstuffs, were barely sufficient for half a month's needs. Most of the vessels were either taken out or sunk by the enemy, while railway bridges and locomotives were damaged and out of action."

The article continues: "In these seemingly hopeless circumstances, the seamen of the city resumed the Shanghai-Hankow service in five days, working day and night to salvage and repair the sunken vessels. Outstanding achievements included the refloating by one crew, of the 3,000 ton s.s. Ta Sang within three days, and of the tanker Yung Chao, after 48 hours continuous labor and in spite of enemy air-raids."

While the seamen labored to put hundreds of ships back into commission, reports the article, the railway workers performed the amazing feat of restoring, within two days, the Nanking-Shanghai service, "answering enemy air-raids with accelerated work on bridge and roadbed repairs." Within a short period thirteen locomotives were ready for action again. With Shanghai linked again by sea and rail with the interior, supplies came flowing in, and "six months later the government had in the city more than 300,000 tons of coal and ample food stocks." With the development of trade and barter between the coast and the interior of China, the exchange of raw materials and of foodstuffs, Shanghai grew less and less dependent upon imports from abroad.

Another serious crisis met and overcome by the workers, this article relates, was the threatened failure of the supply of light and power, hitherto dependent upon imported oil stocks. "Within 10 days," prophesied the defeatists, "Shanghai will be plunged into darkness. Buses and trams will cease to function, all electrical services will be at an end."

"The workers of the Shanghai Power Company, to meet this emergency arising out of the blockade, completed readjustments converting the oil consuming boiler plants for the use of coal." "In the past," says the article, "78 percent of the fuel used by the Power Company consisted of imported oil supplies, the monthly oil consumption being 30,000 tons. But with the adequate supply of coal after the liberation, the workers, with the help of the engineers, converted the boiler plants for coal consumption. By last December, 99.1 percent of fuel consumption in the power plants consisted of coal."

The writer continues: "Another important contribution made by the Shanghai workers was the use of domestic material supplies in the adjustments relating to machinery equipment. The Shanghai Transport Company refitted 20 of their buses to use charcoal, and another 40 buses to use coal. Similar changes were effected in other public and private transportation companies and large industrial plants. The Chung Hua Iron Works succeeded in converting their diesel oil engines into ones using both gas and diesel oil. The China Vegetable Oil Corporation succeeded in the production of a diesel oil substitute out of the dregs of refined oils. The National Agricultural Equipment Corporation managed to fuel its diesel oil engines with cotton seed oil, and also manufactured water pumps which could be fueled with charcoal. Coal as a substitute for diesel oil was successfully introduced in many other industrial plants. Waste materials were salvaged and used and immense savings were effected. Domestic raw materials were also found for many items which had to be imported previously."

"As the result of these tremendous efforts exerted by the workers, the initial victory has already been scored on the economic front against the enemy's blockade," the writer states, adding, "The steel industry has exceeded its pre-liberation output, while the steel rolling industry has recovered to more than 80 percent of its former production level. The machinery industry has recovered 88 percent of its pre-liberation production. Both the electrical and ship-building industries exceeded their pre-liberation levels. The China Textile Industries has surpassed the highest figure ever reached in Kuomintang days. While to these achievements must be added the immense savings realized from the economy drive which has been universally implemented."

Restrictions Lifted

SHANGHAI'S two-month old power restrictions for residential and business use ended on April 15. The restrictions, which limited household use to 15 kilowatts or one-fifth of the average for the last three months of 1949, came into force after the heavy KMT air-raid of February 6 which caused damage to the city's power plants.

The decision to lift the restrictions was reached by the Public Utilities Bureau as a result of the gradual recovery of the city's power supply. Repair work done by the utility workers has been a prime factor in alleviating the situation caused by the bombing.

The latest decision was the second relaxation of power restriction measures. The first was made at the end of last month.

Thugs Executed

TWO robbers, found guilty of armed robbery and criminal assault on a foreign woman were recently executed here. The order for the criminals' execution was endorsed by Chen Yi and Su Yu, director and deputy director of the Shanghai Military Control Commission. This was in conformity with the eight-point proclamation issued by the People's Liberation Army at the time of their entry into Shanghai last May ensuring full protection for both Chinese and foreign residents and their property.

The crime took place last July when the two thugs and their henchmen broke into the home of a German resident and robbed and beat up three persons in the household, plus criminally assaulting the woman of the house. In addition to the two sentenced to execution, eight persons involved in robbery are facing trial in the People's Court.

CULTURE

No Fell Swoops

ALTHOUGH some American and British films are considered to be demoralizing from the educational point of view, it has not been deemed practical to enforce an overall ban on them in one fell swoop. This was the opinion advanced by Hsia Yen, deputy chairman of the Cultural Section of the Shanghai Military Control Commission, at a round table conference pertaining to motion pictures in this city.

The meeting dealt with the educational aspect of movies and described certain ones as "constructive" and others as "destructive." One of the questions which cropped up was whether or not to censor films.

Hsia Yen claimed that social reforms often were concerned with deep-rooted habits or customary practices of the people and therefore were not to be effected by a single stroke as in promulgating a law. He also stated that he was opposed to the screening of those imported movies which might have a reactionary tendency.

ECONOMIC

Soviet Farm Machinery

TRAINLOADS of tractors and heavy agricultural machinery to be used on state farms this spring and in large scale reclamation work during the year have been arriving in Peking from the Soviet Union.

Up to the present, the *New China News Agency* reports, 524 farm machines and 94 tractors have arrived and more are on the way. They include self-propelled combine harvesters, row seed drills, seed sorters, threshing machines and harrows. The tractors range up to 80 horsepower.

Interest Rates Down

MARKED reduction in the rates of interest has accompanied the March stability of prices in essential goods. The Peking branch of the People's Bank announced a 50 percent drop in loan interest charges and a 45 percent drop in deposit interest as from the first of this month.

This follows the pattern established in other cities. Rates during March fell in Hankow by 20 percent, Shanghai and Tsinan by 50 percent and in Tientsin by 60 percent.

The rates which are offered by the official People's Bank compare favorably with those of private banks and have resulted in a general all-around drop in interest charges. High interest rates which prevailed in the past were a hindrance to productive enterprises. It is anticipated that the reduction of interest rates will provide useful outlets for deposits and will play a big role in encouraging investment in industry and agriculture.

The Week's Business

As prices continue to go down, bank deposits gain and interest rates change from a daily to monthly basis. Demand for small demomination notes also reflects the stability of financial and commodity markets.

* * *

COMMODITY prices continued to decline during the week under review from April 13 to 19, with the parity unit going down from JMP5,660 to JMP5,569. The wholesale commodity price index for the week ending April 15 lost more than eight percent, according to official compilations, declining from 22,278 to 21,139 times the 1937 base figure.

Because of continuing stability of commodity prices, the weak psychology of "goods better than currency" created through the run-away inflation of past days has been completely eliminated. Deposits at local private banks have registered steady increases lately, and at the same time private banks in the city have been intensifying their activities on loan issuance. A number of private banking institutions are turning to the rural areas for business. As a recent example, 18 local banks formed a syndicate for the release of agricultural loans.

Beginning on April 12, the Interest Rate Board fixed all interest rates, on both loans and deposits, on a monthly basis instead of on a daily basis, a phenomenon that would be impossible under currency inflation. Meanwhile, during the period from April 13 to 18, the interest rate on call loans was reduced from 15 to 12 percent per month, for interbank loans from 8.1 to 6.3 percent per month, and for deposits from 3 to 2.1 percent. The interest rates on short term deposits also came down to 6.6 percent per month for terms of 30 days, 6.3 percent per month for terms of 15 days, six percent for terms of 14 days, 5.7 percent per month for term of seven days and 3 percent for term of three days.

In consequence of the stabilization in currency and commodity prices, demand for small denomination notes has grown recently, and the People's Bank has set up a special counter for the exchange of big denomination notes into small denomination ones.

Control of the local commodity markets has also been improved. To cope with the the new situation and to aid private industrial plants in marketing their products, the Shanghai Bureau of Industry and Commerce decided to permit the wholesaling of products outside the commodity exchange. This move has greatly facilitated local factories in selling their products, and at the same time it has contributed to the stabilization of commodity prices and interflow of supplies between Shanghai and other cities.

For the overseas remittance market, large sums are understood to have been received here recently from Hongkong, mostly for the settlement of exports and for families of overseas Chinese. On April 11, Hongkong sent to the mainland HK$239,904, and on April 12, HK$150,000, thus totalling a sum of HK$390,000 for the two days. Local appointed banks are said to have found a booming business in the overseas remittances.

Foreign exchange rates underwent revisions in the local market on April 17, with the TT rate of US dollar lowered to JMP39,000 and the rate for notes to JMP37,050, marking a decline of JMP1,000 and JMP950 respectively. The TT rate for pound sterling, however, was raised by JMP1,174 when quoted at JMP97,174. Increased amount of foreign currency is reported to have been turned in to the Shanghai Office of the Bank of China for conversion into Jen Min Piao lately, and most of the currency converted consisted of US dollars, with separate sums ranging from relatively small amounts up to as much as US$10,000 in some cases.

Quotations

Following is a listing of representative commodity prices.

	April 12 JMP	April 19 JMP
Parity unit	5,641	5,569
US dollar (TT)	40,000	39,000
20's yarn	4,850,000	4,250,000
42's yarn	7,050,000	6,200,000
12-lb. cloth	255,000	255,000
Rice, 1st grade	265,000	265,000
Battleship flour	78,500	74,500
Peanut oil	490,000	440,000
Coal briquette	26,000	22,500
Kerosene, Kuokwang	157,000	127,600
Koo Pan soap	181,000	175,000

State Trading Firms

ANOTHER factor in price stabilization throughout China during the past seven weeks has been the network of state owned trading companies on a nation-wide scale. These companies sold huge quantities of commodities, which resulted in a levelling out of parity unit rates.

The government's policy of distribution which relies on state trading as a means of achieving stability involves four main points: 1) sufficient supplies of essentials available, especially food. 2) Communications, railroads in particular, shall be adequate to insure that all available supplies are directed to needed points, 3) Food shall be made the key commodity in influencing prices by state trading companies. It shall be made available to the general public in whatever supplies the market can absorb. 4) In general, through this policy all currency beyond the needs of the market shall be withdrawn from circulation.

Mukden Movements

REPORTS from state owned light industries in the Northeast reveal that progress has been made and the quality of goods being produced raised. At a recent Mukden confab, Northeast factory managers reported that rubber shoes turned out by the area's factories now compare with the best imported products and the quality of auto and bicycle tires has risen considerably. Paper mills also are producing large quantities of first grade newsprint and other paper. The cost for producing a ton of pulp in one paper mill has fallen almost one-fifth within a year and the cost of production of automobile tires was reduced by one-tenth within a three month period.

Also from Mukden comes the report that thousands of engineers, technicians and other specialists for mines and factories in the Northeast are being trained in a dozen technical schools set up by the Northeast Industrial Department. Students from the Northeast, North and East China are being recruited for these schools. Courses cover mechanical and civil engineering, mining, metallurgy, textile engineering and other subjects.

INTERNATIONAL AFFAIRS

EASTERN EUROPE

Trieste Tension

THE Western powers' two friends, Italy and Yugoslavia, apparently are at odds over the city of Trieste following a strong bid for the return of the Adriatic port to Italy by Foreign Minister Count Sforza. Following the end of the war the Free Territory of Trieste was divided into two parts, occupied by American and British troops in one zone and by Yugoslavia in the other.

Sforza's call for the return of Trieste was backed by the 1948 declaration by Britain, the US and France that the entire territory should be given back to Italy. This declaration was made when Yugoslavia was considered to be outside the orbit of the West. The action also took place on the eve of the Italian elections in 1948, which some observers interpreted at the time as an American and British attempt to give support to the anti-communist forces. The center and right-wing parties made this one of their big issues prior to winning the election.

The Trieste developments have left both America and Britain in the unhappy position of holding "the reins of a team of horses that start pulling in opposite directions," according to an editorial in the *New York Times*. The paper, after referring to the two powers going on record two years ago to the effect that Trieste should be returned to Italy, further stated: "However, during the spring of 1948, Marshal Tito broke with the Cominform and since last summer we have been trying to help him in his struggle with Moscow.... Trieste is a 'hot spot' and threatens to remain so. We must all reconcile ourselves to the fact and keep a wary eye cocked in that direction so as to be ready to step in and cool things down when necessary."

The Yugoslav paper, *Borba* claimed that Yugoslavia would not agree "that the new territories, which are inhabited mainly by our nation and which under the peace treaty did not go to Italy, should now come under alien rule."

Shoes for America

MARSHALL Plan allocations for Trieste, totaling US-$18,000,000 from June 1948 to June 1949 and a further US-$12,000,000 in the succeeding 12 months, was extended to the Allied occupied zone. Allied sources agree that there is no sign of resentment among the population of this zone at the continued presence of 10,000 British and American troops. Among the planned projects for the future, under ERP administration, are a new cement works and a shoe factory. The latter is to be built with American capital and manned by American technicans. Its products—raffia shoes—will be exported to America for dollars.

Czech Spies

TWO Czech employees of the United States Information Service in Prague were sentenced for "spying, publicly inciting against the state and insulting the state." Twenty-three-year old Dagmar Kacerovska, a former female employee of USIS, was sentenced to 15 years of hard labor for high treason while another employee, Lubomir Elsner, was given 18 years as an enemy of the Republic.

The prosecutor summed up by saying that the trial showed that the work of USIS was to "attack and insult the Czech nation, its institutions and its government." He stated that the head of the American Press Department wishes to bring capitalism back to Czechoslovakia by any means and then added that the defendants were "an instrument" of the US who served the enemies of the Republic. One of the convicted had stated during the trial that employees of the American Embassy in Prague were engaged in blackmarket activities.

Asylum Sought

AN American, George S. Wheeler, teacher of economics in Prague, has asked the government to grant asylum for himself, his wife and four children. The reason for his action, he said, was the "brutal and unlawful treatment by the American Occupation authorities in Western Germany of 58 Czechs who had been kidnapped in a typically gangster plot."

Asked whether he thought he could return to America, Wheeler replied: "Of course I could return, and some day I expect to, but at the moment the Truman Administration would not receive me very favorably. But I don't expect the Truman Administration to be any more eternal than the Hoover Administration was. In the meantime I welcome Czech hospitality." Wheeler intimated that he did not intend to renounce his American citizenship.

Hungary Declines

THE American government has been told by Hungary that she would be unable to pay compensation in dollars for American property which has been nationalized. "The absence of commercial relations" between the two nations was deemed to be responsible for this information, contained in a Foreign Ministry note.

The note denied an American contention that the nationalization act had favored some countries. The nationalization decree specifically exempted property which had become foreign owned under special agreement since the armistice. This referred to Soviet-owned companies, former German property or mixed Soviet-Hungarian concerns.

The American government was informed that Hungary would make use of American property—chiefly oil interests—as compensation for unreturned Hungarian property.

USSR

Soviet Protest to US

THE Soviet Union protested to the United States, claiming that an American plane flew over Soviet territory. The report said Soviet fighters took off and demanded that the plane land but it did not comply and opened fire on the Soviet planes. According to a *Tass* report, the American plane, a four-engined military plane of the Flying Fortress type, penetrated 21 kilometers into Soviet territory near Libava, Latvia on the Baltic.

The American Ambassador in Moscow was given a formal note of protest by Foreign Minister Vyshinsky which stated: "The Soviet government announces its resolute protest to the government of the United States against this gross violation of the Soviet frontier by an American military plane, which at the same time constituted an unheard of violation of the elementary rules of international law."

In Washington, General Vandenberg, US Air Force Chief of Staff, said that no American aircraft was involved in any exchange of machine-gun fire with any Soviet fighter on the day alleged in the Soviet note. At the same time, US Chief of Naval Operations stated that a Navy plane had been missing over the Baltic.

While America continued its search for the missing navy plane, the Swedish General Staff complained that US planes had flown over the key naval base of Karlskrona, Sweden's biggest naval base which covers the entrance to the Baltic.

Secretary of State Acheson was reported to have "energetically investigated" the Soviet allegations. Acheson claimed that he knew nothing beyond what was given out by General Vandenburg and Admiral Sherman, Chief of Naval Operations.

On April 18, in a reply to the Soviet note, the US charged the Soviet Union with shooting down a missing US Navy plane over the open sea. The US sternly worded note rejected the Soviet protest and stated that its own investigation showed the plane did not fly over any Soviet or Soviet-occupied territory.

Italian Reparations

THE Italian Ambassador in Moscow was handed a note alleging violations of the Italian peace treaty, particularly with regard to reparations. The note alleged that reparations due the Soviet Union under the treaty had not been paid. It recalled the article of the treaty stipulating that reparations had to be paid by transferring Italian property in Bulgaria, Rumania and Hungary to the Soviet Union.

The Italian government was accused of deliberately delaying presentation of a current statement of Italian assets in Bulgaria, Rumania and Hungary. It stated: "Up to the

present the Italian government has not yet paid reparations from current production. Both the peace treaty and the Soviet-Italian agreement stipulated that reparations from current production must begin on September 15, 1949."

The Foreign Office in Rome denied the Soviet allegations of delaying presentation of a correct statement of Italian assets in Eastern Europe. An official statement said that the government had declared itself ready to find an agreement by diplomatic means between the divergent estimates made by the Italians and Soviets of the value of Italy's assets in the Balkans, due to serve as war reparations.

Diplomacy Expensive

NEW Zealand has announced that she is withdrawing her diplomatic representation from Moscow and closing down her Legation there in the near future. The Ministry of External Affairs in Wellington stated that the raising of the rouble exchange rate made it extremely difficult for small countries to maintain representations in the Soviet Union.

America, Britain, France, Italy, Holland and Belgium recently protested to the Soviet Union that the cost of living in Moscow would be greatly increased by the revaluation of the rouble and asked for revision of the decision to abolish the especially favorable rate of exchange for diplomats. The Soviet government rejected the protest.

New Ministry Setup

THE Soviet government has announced the formation of a new ministry to speed development of its cotton plantations in Central Asia and in the Republics of Georgia, the Ukraine and Moldavia. The New Cotton Ministry will absorb those sections of the Ministries of Agriculture, Light Engineering and State Farms which deal with growing and spinning.

ITALY

First Arms Shipment

NOT since Mussolini's heyday had Italy witnessed such rigid security measures as were clamped down during the unloading of America's first Atlantic Pact arms shipment to Naples. Massive police forces, carrying arms and tear gas, watched in surly silence as non-striking dockers hastily unloaded 316 tons of mountain guns and other weapons.

The leaders of the non-Communist Labor Federation had given the green light to unloading operations by guaranteeing that the action would be carried out. Walls throughout Naples were plastered with slogans, signed by "partisans of peace," appealing to the dockers not to unload the arms. The arms were swiftly transferred from the American ship "Exilona" directly into waiting railway cars for shipment to an "unknown destination."

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TWELVE hours after the arms were unloaded 20 percent of Naples workers downed their tools in an eight-hour general protest strike. Center and right-wing trade unions boycotted the strike. A crowd of about 1,000 strikers stood outside union headquarters in Naples while patrols of armed police prowled the streets and jeep loads of Carabinieri guarded all entrances to the Piazza Dante to prevent strikers from massing in the square for a procession through the streets of the city.

Meanwhile, in Rome, top Communist leaders were planning their summer campaign against American military and economic aid. On the agenda were included a review of Italy's political and economic situation. Priority was expected to be given to the unloading of arms in Naples.

FRANCE

Arms to France

ARMED protection was the order of the day for the unloading of the first shipment of American arms to France under provisions of the Atlantic Pact. Police and Republican security guards were on hand for the dawn unloading movement at the military port of Cherbourg.

The Atlantic Pact prizes for France were ushered in under the auspices of three companies of the Guard, police and coils of barbed wire, all of which blocked the entrances to the entire port. The vessel, "American Importer" was the carrier of fighting equipment for France which consisted of about 600 tons of artillery and automatic weapons.

Arms from France

WHILE American arms entered through Cherbourg, the port of Bordeaux was the scene of a clash between 400 dockers and maintainers of law and order in France as a result of a protest meeting over arms shipments to Indo-China. The workers, belonging to the General Confederation of Labor, fought a running battle with Republican Guards and police after their meeting was broken up.

Trade Balance Worse

APPARENTLY something besides arms was needed for France. The nation's foreign trade balance during the month of March worsened, according to official statistics released in Paris. When totaled up the figures revealed an adverse trade balance for the month of 26,257,000,000 francs.

Exports totaled 46,068,000,000 francs against 53,358,000,000 in February while imports amounted to 72,425,000,000 francs in March as against 73,556,000,000 for February. The export decline was chiefly registered in textiles with exports in the raw materials amounting to 3,034,000,000 francs against 4,715,0000,000 francs, yarns 3,045,000,000 against 4,356,000,000 francs and fabrics 4,012,000,000 against 4,046,000,000 francs.

UNITED STATES

Military Might

HAND in hand with the parceling out of arms for Atlantic Pact nations the US government at home was pursuing a policy of polishing up its own armed forces. More men for the army and a concentration on anti-submarine warfare were high on the list of military musts.

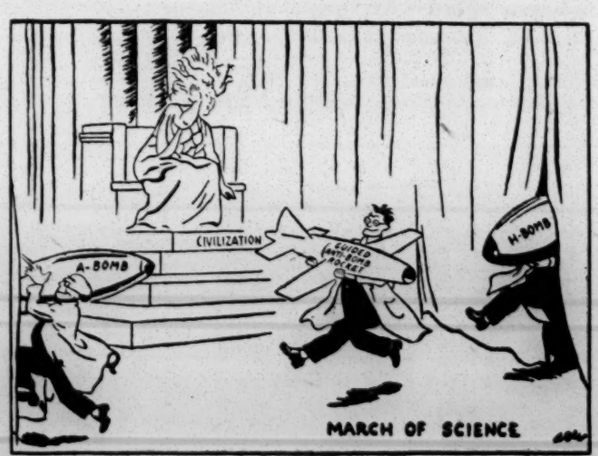
The US Army is planning to recruit more than 100,000 new reservists to be ready for quick combat duty. This would put army reserve strength at 367,000 officers and men. The US Navy plans to increase its squadrons of long-range anti-submarine bombers from 20 to 30 and the number of destroyers from 140 to 170 within the next 12 months, according to naval authorities in Washington.

With constant rumors of foreign submarines turning up off the Pacific coast possibly in mind, anti-submarine warfare has now been given top priority in naval planning, research and development programs and in the allocation of ships, aircraft and men. The Navy also disclosed that it was adding two destroyers, two anti-submarine destroyers and three submarines to the Seventh Fleet in the western Pacific. This increase was a continuation of a policy which has been going on since last autumn.

Meanwhile, the State Department announced that the US had cancelled a plan to give a display of American naval and air power at Bangkok next month. A department official said that the Thailand government had recommended that a later date would be more suitable for such a demonstration. The original plan called for the sending of 50 or more planes from a US aircraft carrier to drop leaflets over Bangkok during the coronation ceremonies of King Phumiphon Adundet.

In New Mexico, a top nuclear physicist was reported to have given the first indication that research on the hydrogen bomb is under way at the Los Alamos plant.

A Santa Fe paper, *New Mexican*, quoted Dr. Alvin C. Grates, University of California scientist, as saying he had often thought of US preparedness in "work in Los Alamos on the atom and hydrogen bombs." The



statement was attributed to Dr. Grates during a public forum at the atomic center on, "Must we prepare for World War Three?" Authorities at Los Alamos would not comment.

Taiwan Tale

SENATOR Hubert Humphrey of Minnestota recently disclosed in the Senate that American bankers have a big dollar stake in Formosa, "which might have some influence upon some of the statements pertaining to American foreign policy with regard to Formosa."

Private US capital amounting to US$20,000,000 is involved, chiefly in the electric power field. This stake dates back to 1931 when the Taiwan Electric Light & Power Co. of Japan floated a bond issue in the US. The issue was handled by J. P. Morgan & Co., Kuhn Loeb & Co., the National City Bank and the First National Bank of NY. According to Senator Humphrey's statement: "As long as the island remains in Nationalist Chinese hands, the American investors have a chance of being paid off eventually. Should the island fall into Chinese Communist hands, however, there is no assurance whatever that the bonds will be worth more than the paper."

Communist Proving

APPARENTLY Senator McCarthy was not heeding charges made against him of wrecking America's reputation abroad as a result of his Communist calling campaign. He was going ahead with plans for proving State Department advisor on Far Eastern affairs, Owen Lattimore, was a Communist. After calling Lattimore the Soviet's top-spy in America, McCarthy was making ready to unveil his "mystery witness," Louis Budenz, Communist Party renegade, who would, he claimed, prove Lattimore's "communism." One-time managing editor of the *Daily Worker*, Budenz joined the Catholic Church and took a post at the University of Notre Dame after renouncing Communism. Meanwhile, "Communist suspect" Lattimore has publicly announced his belief that the US should not recognize the People's Government of China. To many this scarcely smacked of communism; to Senator McCarthy it could only mean another devious method of American communism at work.

Supreme Court Defers

THE US Supreme Court has refused to interfere with the power of Congressional committees to compel witnesses to say whether they are Communists.

The refusal came recently in the Court's rejection of two appeals filed by film writers John Howard Lawson and Dalton Trumbo. Both were convicted of contempt of Congress for declining to tell the House Un-American Activities Committee whether they were members of the Communist Party. The Court denied hearings to both men following appeals, thereby allowing a lower court ruling that Congressional committees have the power to inquire into Communist Party membership to stand.

GREAT BRITAIN

Capitalism and Empire

THE Labor Party government of England was accused of "attempting to run capitalism at home and maintain the empire abroad" in a resolution adopted by the Independent Labor Party at its annual conference. Delegates voted by a majority to contest elections wherever possible in order to give the people "a real Socialist alternative." The conference also voted, by the largest majority since the controversy began five years ago, against affiliating with the Labor (government) Party.

The ILP, once the cradle of the socialist movement in England, now is a small section of the Labor Party.

Meanwhile, Britain's biggest political party, the Cooperative Party, which has over 8,000,000 members and is linked with the Labor Party urged the government to submit new proposals to the United Nations for world disarmament and the outlawing of atomic weapons. The Party rejected a motion demanding severe cuts in Britain's defense expenditures in order to increase social services.

Labor Party headquarters, mindful of their tenuous grip on the nation's political control, has warned constituency parties to start the machinery for selecting candidates for the next General Election. Although some quarters denied that this was an indication that the government thinks an election is imminent it was generally acknowledged that some unpredictable development might bring the administration down at any time and so the Party was not taking any chances. Meanwhile, Prime Minister Atlee was reported to have spent at least one rustic weekend during which he reserved his evenings for his favorite indoor pastimes, bridge and solving crossword puzzles.

Thailand Closes Chinese Schools, Warns Press

Reports reaching Peking from Bangkok reveal that since June 1948 the Thai government has closed 61 overseas Chinese schools. This action, the New China News Agency reports, followed the banning in May, 1948 of 320 such schools, leaving only 319 Chinese schools in the country.

The head of the Thai government's Private Schools Central Control Board is further reported to have recently threatened to close more Chinese schools on the grounds that the schools had committed "errors" by "teaching pupils loyalty to their homeland," by "disseminating ideas politically dangerous to Thailand" and by "allocating insufficient time to the teaching of Siamese."

As a result of this action, NCNA states, 200,000 children of overseas Chinese have been denied education and more than 3,000 teachers have been thrown out of work.

Meanwhile it is reported that the government's Central Bureau of Investigation has warned the Chuan Min Pao, the organ of progressive overseas Chinese in Thailand, "not to propagandize communism." Other papers are quoted as reporting that a blacklist of newspapermen working on "opposition" papers has been drawn up and that plans are being made to arrest those whose names appear on the list. Employees of five Siamese and Chinese papers are said to be at the head of this list.

THE PACIFIC

Tokyo Pivot

AMERICAN diplomats, commercial attaches from Washington and 12 Asian capitals are working out a minor Marshall Plan for Asia, with Japan as the pivot, at a special meeting in Tokyo, according to reports received here.

The present substantial US aid to Japan will be channelized to make the country a "workshop" for the remaining anti-Communist people in Asia. Japan is expected to step up production of capital machinery, textiles and other goods. One Tokyo paper reported: "The conference will largely integrate Japanese economy with that of the Southeast Asian countries."

Foreigners Relieved

A SPECIAL "tax inducement" for foreigners if they help in rehabilitating Japan was won following much dismay over threats of heavy new taxes. Prime Minister Yoshida gave this assurance to a delegation of 18 foreigners following reports of the upping of taxes.

The president of the American Chamber of Commerce in Japan said that the delegates came away feeling "a little better" about the new tax bill.

While Yoshida was alleviating the foreign element in Japan, his name was publicly linked with the president of an industrial company arrested in February in a probe of alleged swindles in the sale of police and fire department equipment.

Emperor's Sea Slugs

ALL is well with the Emperor of Japan. Politics and public scandals aside, Hirohito has reclaimed his Imperial barge, lent to the Navy during the war, to aid him in his vigilant sea slug search in Sagami Bay. The 20-ton vessel will be anchored off the Emperor's villa at Hayama, 40 miles southwest of Tokyo. The Emperor, an avid searcher for the slimy denisons of the deep is reported to be seeking new finds for a second volume on the subject. His first volume was published last year.

While the Emperor made ready to fish in calm waters his war-time enemy Chiang Kai-shek is reported to have bought a house in Japan. Chiang's purchase was said to have formerly belonged to Prince Ito. Along with the G'imo digging in for future fishing KMT top-notchers Wu Te-chen and Tang En-po also are reported buying up real estate for future use in Japan.

Text of Vice-Premier Chen Yun's Report on China's Financial and Food Situation

Following is the full text of Vice-Premier Chen Yun's report to the 7th meeting of the Central People's Government Council on the financial and food conditions of the country. Chen Yun is also chairman of the Committee of Financial and Economic Affairs.

The first question on which I want to report to the Government Council meeting is the financial situation.

The financial situation of the state has taken a turn for the better during the four months since the passing of the state budget for 1950 by the fourth meeting of the Central People's Government Council held on December 2 last year. Over 70 percent of the autumn levy of public grain is already stored in granaries. With the exception of the southwest area, where public grain is still being collected because of its later liberation, all areas of China have collected most of the public grain levy. Income from taxation is gradually increasing in the areas liberated at earlier dates last year. Up to the present time, payment for 72 percent of the first issue of the Victory Bonds has been received. Staffing lists in relation to public functionaries and teachers are at present being worked out. The total number of personnel in government and public institutions and the army has not yet exceeded the number stipulated in the budget and, moreover, the present number can be further appropriately reduced. During the past four months, many special conferences have been held by financial and economic departments of the Central People's Government and further financial and work plans have been worked out. During the past four months, part of the financial income of the state is already in hand and, owing to the liberation of the southwest, the income has been increased in comparison with the budget of last December. After the past four months' accounting, expenditure has become more closely related to reality than at the time of the passing of the budget.

Although there is a deficit between income and expenditure, the deficit estimated in the 1950 budget has been reduced by two-fifths. January and February this year was a period of preparation for centralized management of finance and economy and the financial deficit of that period was still not small. But, counting from March, deficit in revenue and expenditure of the coming ten months will be even smaller and on the average, a balance may be nearly reached over the year. If income from taxation and the Victory Bonds is fulfilled according to plan, if part of the public grain for sale and products of the state-owned enterprises can be sold according to schedule and money thus called backed, if there is no important change in income and expenditure, then the number of banknotes requiring to be issued to fulfill the needs of revenue and expenditure will be reduced to the minimum and the financial and price situation throughout the country will begin to take a turn for the better. The people of our country have suffered enough from inflation. If inflation can be checked, thus stabilizing finance and prices, this will conform to the hopes of the people and economic needs of the state. Therefore, it is the responsibility of the Central People's Government to strive for the realization of this.

The state's revenue and expenditure are approaching a balance even before the conclusion of the war. For this, we should thank the heroic fight of the People's Liberation Army, which swiftly liberated China's mainland. We should thank the army and government personnel, public functionaries, teachers and workers who work hard and live hard and, especially we should thank the people throughout the country who enthusiastically deliver their public grain, pay their taxes and buy the Victory Bonds. Without these concerted efforts, it would not be possible for revenue and expenditure to approach a balance and for finance and prices to reach comparative stabilization. Therefore, we hope that the people throughout the country and all army and government personnel, public functionaries, teachers and workers will continue their concerted efforts, overcome all difficulties and realize further improvement of the financial, economic and price situation which all hope for. It should be said that this aim is not visionary. It can be fully realized if the people throughout the country and the government jointly exert their efforts. The chief reason is that in accordance with the plan we are now carrying out, revenue and expenditure in public finance are approaching an equilibrium. This basically differs from last year's situation.

Last year, the financial situation and commodity prices underwent four big fluctuations. Considerable fluctuations also occurred in January and February this year. This was because the deficit in public finance constituted two-thirds of last year's expenditure. During the interim period between price fluctuations there were times when finance and commodity prices were comparatively stable. But such stability was transitory. It was not the result of any reduction in deficit. On the contrary, owing to the monthly increase in military and government expenditure, the deficit also increased month by month, bringing about instability in finance and commodity prices. The temporary stability which occurred last year may be attributed to the expansion of liberated areas, which resulted in the expansion of the areas for circulation of the people's currency, or to the coming on the market of certain seasonal commodities. Since the temporary stability was due to these conditions and not to the equilibrium in revenue and expenditure of public finance, subsequent fluctuations were unavoidable.

At present the situation is different. Revenue and expenditure nearly balance, deficit is reduced to the minimum and the government has made necessary preparations to keep in hand certain main commodities to regulate army and civilian supplies and market prices.

If in the future small amounts of additional currency are issued every month, the main reason will not be to cover a deficit. This is the basic difference from the situation last year.

The people throughout the country, including industrialists and merchants, have faced inflation throughout the past 12 years. Their methods of coping with everyday life and business management cannot but be adapted to the conditions which prevailed in the past. But it must be seen that conditions are beginning to change. The change from stable finance and commodity prices of prewar to the subsequent inflation of the past 12 years caused profound losses and suffering to the people and to law-abiding industrialists and merchants. The present turn from prolonged fluctuation of finance and commodity prices to stability should also be seen as a rather difficult one. This is especially true because after 12 years of war, the purchasing power of the people has fallen sharply, and some industries and commercial enterprises have long engaged in speculation.

Therefore, we hope that industrialists and merchants throughout the country will be aware of this change and be adequately prepared beforehand to overcome the difficulties arising from the change and will strive jointly with the government to improve the situation. We also hope that those who lived by speculation during the inflation will change their former behavior and turn to lawful business, so as to avoid disadvantages to the country and to themselves.

It should be realized that difficulties arise from a change which is from bad to good, therefore the difficulties can only be temporary. A continued fall in prices is not beneficial to the national economy, and the government will take appropriate steps to stabilize prices if the decline continues.

To readjust revenue and expenditure, to reduce deficits, these are only part of the work of public finance and there are not a few defects in our work which need correction. In the financial and economic work, there are many important questions to be solved. For instance: unevenness in the levying of public grain should be corrected; present taxation regulations should be examined in relation to the actual conditions and unsuitable ones should be amended; tax levies and subscriptions to the Victory Bonds should be reasonable and appropriate; faulty styles of the work of certain personnel in the collection of taxes should be corrected; tax collectors should receive training; corruption, embezzlement and tax evasion should be prevented.

Relations between the state-owned and privately owned enterprises should be readjusted to ensure that the principle of "taking into account both public and private interests" will be embodied in practical policy and concrete measures. Labor-capital relations in private enterprises should be further improved. The management of publicly owned enterprises should also be improved. Planning of production and work in publicly and privately owned enterprises should be furthered and planlessness reduced.

Therefore, the Committee of Financial and Economic Affairs of the Government Administration Council will in the forthcoming months call certain necessary conferences to formulate certain essential decrees and orders and focus the work on readjustment in industry and commerce. During the six months after the establishment of the Central People's Government, the Committee of Financial and Economic Affairs focussed its work on public finance. This was entirely necessary. As a result the objectives of balancing revenue and expenditure and stabilizing prices were achieved. As from now, work in the next few months will center on readjustment of industry and commerce so as to attain certain possible and necessary achievements, as well as carrying through present correct policies in our financial work and correcting such deviations as have occurred.

The second question on which I will report to the Government Council meeting is the situation arising from the calamities of last year

and our preparatory work in regard to food and relief this year. Last year serious calamities occurred in many places. The gravity of these calamities was fundamentally the result of prolonged destruction caused by the aggressive war of Japanese imperialism and the counter-revolutionary war of the Kuomintang reactionaries backed by American imperialism. It was the result of prolonged destruction of the productive capacity and water conservancy works by imperialism and the Kuomintang reactionaries.

But taking into account the whole country, last year's harvest was not bad. With the exception of a few places affected by drought, most of last year's disasters were floods. Not a few places in North Anhwei, North Kiangsu and Shantung in East China, and Hopei and Pingyuan in North China, suffered serious calamities. Individual places in Central China, Southwest China, Northeast China and Northwest China provinces were also afflicted, but the average harvest last year was equal to an ordinary year's. Some provinces had more than an ordinary year's harvest, and some provinces little lower but nearly normal.

Not even in the provinces with seriously afflicted areas were the whole areas devastated. Areas were affected to greater or lesser degrees. But it should be said that last year's calamities were very serious: 8,104,000 hectares of farm land were afflicted by natural calamities and 40,000,000 people were affected to greater or lesser degrees. Large and concentrated afflicted areas occupied an area of 1,866,000 hectares, with 7,000,000 seriously affected people most in need of relief. The Central People's Government and local governments at every level have been using all kinds of ways to relieve these people and help them to overcome their difficulties since the beginning of winter. Two questions at present are: one, as a result of last year's calamity, is the grain supply throughout the country this year insufficient? Will there be great difficulties? Two, can the people affected pass through the spring food shortage period this year?

Concerning the grain supply problem throughout the country this year: last year's calamity was very heavy, but, if it is compared with the condition in 1931, when the whole country suffered from heavy floods, the calamities of last year were comparatively light. According to a 1932 report of the bogus national government flood relief committee, 10,523,000 hectares of farm land were devastated in eight provinces of China in 1931.

They were 2,785,400 hectares in Kiangsu, 2,188,000 hectares in Anhwei, 1,152,000 hectares in Hupeh, 719,400 hectares in Hunan, 1,953 hectares in Honan, 1,144,000 hectares in Shantung, 343,600 hectares in Kiangsi, 216,600 hectares in Chekiang. The total number of the people afffected was 52,710,000. That is to say, the devastated farm land in 1949 was 2,419,000 hectares less than that of 1931 and the number of people affected was over 12,000,000 less. When the size of the 1949 yield is calculated, it must be taken into account that the average postwar yield was lower than that of the prewar 1931, but still the average yield would not be less than 100 kilograms per mou (or 1,500 kilograms per hectare). Thus, judging from the shrinkage of the devastated area, the yield was 360,000,000 kilograms or 3,600,000 tons above that of 1931.

Let us look at the grain supply after the 1931 flood and compare it with the preparatory work in this matter conducted this year by the Central People's Government. In 1932, the year after the flood of 1931, altogether 2,240,000 tons of grain were imported including the grain from Northeast China. Because of the amount of grain imported and the readjustment of grain supply, the famine period was tided over but in many provinces the peasants were adversely affected by a fall in grain prices. The quantity of grain imported in 1932 should be kept in mind when calculating the grain supply this year after last year's flood.

Our preparation this year include sending 1,030,000 tons from Northeast China to the areas south of the Great Wall and moving 200,000 tons of grain from Szechuen. Because traffic has resumed on the Chekiang-Kiangsi and Canton-Hankow Railways, about 300,000 tons of grain can be moved from the areas along those railways, whereas in 1932 traffic was not operating on those lines and grain could not be sent. If necessary, more grain can be transported from Northeast China to places south of the Great Wall. At the same time, we are also prepared to buy some foreign grain if necessary. Taken in all, the three above mentioned items are already near the figure of the grain imported in 1932. If the Northeast transports more grain south of the Great Wall and importation of foreign grain meets with no obstacle, the difference between the two will be even less. Further, if it is taken into account that the area of devastated land last year was 2,416,000 hectares less than that of 1931, resulting in the harvesting of 3,600,000 tons more grain by the people, then the food supply this year will not be worse than that in 1932.

It should be taken into account that after 12 years of war productivity of land throughout the country has dropped, grain stocks held by the people are also smaller. But another fact should also be taken into account; namely, because of the 12 years of inflation, most of the city populations had bought and stored certain amounts of grain in order to reduce losses suffered through currency inflation. Also with regard to the consumption of food, because of the poverty brought about by prolonged war, there is an elasticity in the people's food consumption. In conditions of high grain prices, the people generally eat coarser grain (meaning koaliang, millet, maize, etc.—translator) and cook it with more water.

In order to ensure the civilian food supply throughout the country, the government is engaging in the transportation and reshuffling of foodstuffs. Despite poor communication facilities, public grain collected in areas with surplus grain is being brought to main communication lines by every possible means. At the same time, public grain from provinces, where last year's harvest was good and from which surplus grain is normally exported to other places, is also sent to famine districts and big cities, but on a scale not exceeding the past export level.

The costs of marshalling grain are high. In many places the expense of transporting grain exceeds the price of grain. On the average the cost of transporting grain is equal to its price. But although the cost of transportation is high, part of it goes as wage payments to the stricken people and surplus labor power in rural areas. Such marshalling of grain is necessary for the country as a whole and is also beneficial to peasants in areas with surplus grain. If the public grain of the state were not transported to devastated areas and big cities, but were sold in those localities in competition with peasants, grain prices would fall sharply, causing losses to peasants. Alternately, if there is a grain shortage in big cities, costs of industrial goods will increase. This would result in difficulties for the people in big cities, and also for the peasants in surplus grain areas, who would receive low prices for their foodstuffs and have to pay high prices for industrial goods. The aim of the government in reshuffling grain is to transfer it from out-of-way areas to communication lines where it can readily be reshuffled here and there. Only by such marshalling and disposition can we meet the food demands of the whole country.

Big maritime cities such as Shanghai, Tientsin and Canton had been relying on the import of foreign grain for a long time. This year they will be supplied with grain from within the country. Many people are concerned about the occurrence of grain shortages in big cities as a result of the blockade of the ports. Our view is that, with the exception of certain individual coastal towns which may experience temporary food shortages this year because of exceptionally poor inland communication facilities and temporary blockade from outside, all other big cities such as Peking, Tientsin, Shanghai, Canton, Wuhan and Nanking and other cities in the various provinces will have necessary food supplies.

The quantity of public grain (including grain to be delivered after wheat harvest) which has to be sold in markets alone, amounts to 4,500,000,000 kilograms or 4,500,000 tons, not including Northeast China. The total population of large and small cities and towns throughout the country does not exceed 90,000,000. These 4,500,000 tons can supply one-third of the population of all cities and towns with food for a whole year. The supply of such huge quantities of grain to cities by the state is an unheard-of thing in the history of China.

On the question of relieving the inhabitants of devastated areas: there are 800,000 hectares of devastated land in Liaohsi and Jehol provinces in Manchuria, affecting a population of 2,600,000, and the Northeast People's Government is carrying on relief work.

The quantities of grain used by the Central People's Government this year to relieve the inhabitants in afflicted areas south of the Great Wall through various means are as follows: immediate relief grain, 170,200,000 kilograms; grain as payment for inhabitants taking part in water conservancy work, 172,800,000 kilograms; grain as agricultural loans, 47,400,000 kilograms; grain as capital invested in cooperatives, 60,000,000 kilograms; grain as payment for inhabitants taking part in transport work, 100,000,000 kilograms; grain as payment for cloth manufactured by inhabitants in devastated areas, 63,100,000 kilograms; unthrashed grain lent to peasants to be paid back after the wheat harvest, 72,500,000 kilograms; and relief grain allocated by local governments, 80,000,000 kilograms. The above eight items total 766,000,000 kilograms or 766,000 tons. If necessary, this amount can be increased according to the need.

Let us look at the economic year book of China and see how much relief grain was used in 1932 according to the report of the flood relief committee of the bogus national government of the time: relief grain, 160,200,000 kilograms; grain as payment for inhabitants taking part in work, 300,000,000 kilograms; agricultural loans and seeds, 50,000,000 kilograms; totalling 510,200,000 kilograms, or 510,200 tons.

According to the same source, out of this grain at least 150,000,000 kilograms or 150,000 tons did not reach the devastated areas.

According to the above data, the population in afflicted areas this year is over 12,000,000 less than that of 1932, while relief grain is 255,800 tons more than that of 1932 and the afflicted areas will get all of this grain. Furthermore, under the reactionary Kuomintang rule, corruption and embezzlement were rife in relief work while corruption is never allowed to exist among the relief work personnel by the people's government.

Our method of relieving inhabitants in the afflicted areas is to organize the inhabitants in production to enable them to save themselves.

Relief grain issued by the government is used to help the inhabitants of the afflicted areas to engage in a variety of productive work.

It is not issued simply as relief without organizing the people in production. It is completely possible to help the inhabitants in the afflicted areas to overcome the spring food shortage period, provided that we work well and continue to exert our efforts.

The inhabitants of the afflicted areas are distressed and the people in general also have a hard life. This is the result of more than a century of imperialist aggression in China and the long reactionary rule of the Kuomintang. Precisely because of this, the people throughout the country, having defeated Japanese imperialism, were determined to overthrow the Kuomintang reactionary rule swiftly and establish their own people's government. The victory of the People's Liberation War and the formation of the Central People's Government and people's governments of various levels have created a prerequisite for remolding the national economy. The people throughout the country understand this and are working with the government in a concerted effort to eliminate the enemy remnants, rehabilitate the economy and overcome all difficulties.

Imperialists are rejoicing at others' misfortunes. A handful of reactionaries in island exile are also dreaming of the so-called food crisis on the mainland. Let them dream. Rain has been reported from Northeast China, North China and Honan and Shantung provinces with the exception of the Kiaotung Peninsula, and the wheat harvest is promising. Peasants throughout the country are plunging into the spring cultivation. Those who rejoice at our distress and hope that we shall have a food crisis are doomed to disappointment. Contrary to their expectations, we shall not only overcome all calamities but, moreover, stable grain prices will appear for the first time in years.

LETTERS

(Continued from Page 123)

Certainly, I do not mean that the American people are disunited. I only hope that the American people will be more united and organized to defend themselves against the exploitation by the few owners of Wall Street.

As you are all sympathetic toward the sufferings of all fellow human beings, doubtless you are struck by the sight of the starving, especially those poorly-paid workers who are ruthlessly oppressed and exploited by the shameless capitalists. A Chinese proverb says: "It does not matter if there is a scarcity of food; but it is dangerous when some are feasting while others are starving." Though my country is a have-not nation for the time being, yet I am sure that the future prospects of my country are brilliant and hopeful because China is ruled by the people themselves and because my government is a real government of the people, by the people and for the people.

We Chinese students are firmly convinced that between the dauntless American people and the unconquerable Chinese people, there exists an indestructible spiritual affinity. Let us students take up the holy task of sweeping out the misunderstandings between the two great peoples, which have arisen out of the schemings of the Chiang Kai-sheks and Trumans. They are the common foes of the whole world. Let us form a united front of the peace-loving and war-hating peoples against the peace-hating and war-loving exploiters.

Bombers and various latest weapons are pouring in from the United States to Taiwan, the Philippines, Malaya and Indonesia. Let us be vigilant!

We should be confident that the ultimate victory belongs to the broad masses of people who insist on struggling for an international and lasting peace. And the sooner we unite the sooner this victory will be achieved!

Finally, I send my best wishes to all those Americans who fought so courageously for democracy and peace of mankind during World War Two and to all those who have been struggling for the liberation of mankind against the brutal warmongers!

On behalf of the Chinese students as a whole, I wish you sound health and hope to hear from you very often in days to come.

FRANCIS H. CHOW

Fuhtan University,
Shanghai
April 13, 1950

CAMPUS CHANGES

To the Editor:

When a completely new spirit stirs a vast and ancient nation, it is an awe-inspiring event. Even small instances, in their poignant humor and gravity, witness to the profound change of mood, the new seriousness, the faith in themselves and in their country which is gripping the men and women, the boys and girls, of this land.

Our university has lost some 600 of last term's students: their parents can no longer pay their board and tuition. The 800 students who remain are working like beavers to find funds. The University Community Church and one of the Missions raised the equivalent of US$600 for student aid. The students have held many meetings to screen the applicants. Here are two excerpts from the student paper:

"The Huata Scholarship Petition meeting is satisfactory ended. This is the first glorious page on the record of Huata history that the poor boys and girls of W.C.U.U. assembled together —to tell frankly their troubles and hardships. The atmosphere at this meeting was pitiful, for everyone looked sorrowful. Some girls wept when they mentioned their suffering and could not finish their speeches. At first the scholarships petitioned were in excess of the total amount of the scholarships. Someone suggested that the petitioner make a rigid self-criticism and introspection 'Am I the poorest of all? If not please let my own share of scholarship go to those who need it most.' In a short time many schoolmates voluntarily offered to forego their bursaries till the amount of scholarships and the amount petitioned were in balance. Though some were accused of pretending to be poor still it was politely settled in an atmosphere of mutual help and brotherhood."

"On March 23 the schoolmates of second year class of Medicine went to dig and clear out the drain. This is the new lesson they are studying. (All the city sewers are being cleaned). When they reached the place, they divided into two groups for the work. The boy students were digging with various kinds of implements, the girl students removed the clay and fragments to the bank of the drain. Sweat appeared on every part of their bodies like dew drops. Their work lasted for several hours. They were still high spirited. They came back to school at 6:00 p.m.! The Huata Student Union examines the results of its work in the last two months. The movement of innovation has caused the ill-organization in Huata to improve rapidly and also has established many means of production, such as planting vegetables, making beancurd and a soy sauce factory, barber's shop and stationery shop to do their best to make the University better."

It is, of course, a mixed picture; and we foreign missionaries and our teaching are part of the mixture. For instance, in the recent Chungking People's Political Council a zealous Chinese evangelist stood up and said: "Lenin was once a Christian pastor; Stalin was once a Christian pastor. Therefore, you should give protection to the Christian pastors. . . ." This request for special protection for a single class, when everybody is being asked to live dangerously, raised a furore among the younger members of the Council. The chairman finally said, "We are temporarily tolerant to religion; but we given no assurance for the future. . . ." Such demonstrations by some Christians deepen the impression that "religion is opium" to those who are struggling to cleanse this old society of vested interests. Happily this untoward event is balanced by the magnificent performance of many outstanding Christians and the vast majority of Christians great and small.

D. L. P.

Chengtu
March 26, 1950

NOTICE

Recently we have received a number of requests for extra copies of various articles appearing in past issues of the Review, particularly those articles which foreign readers here in China have found of interest and have desired to send to friends abroad. From time to time we shall hold the type of particularly significant articles and will make reprints available to readers at cost price.

In view of the considerable discussion abroad about the food situation in this country, we will have reprints made of two articles appearing in this issue: The article, "Foreign Relief and China's Famine" by Tao Wei-lien and the document, "Text of Vice-Premier Chen Yun's Report on China's Financial and Food Situation." Copies of these two articles, reprinted together, will be available at the offices of the Review at a charge of JMP1,000 per copy.

WINTER SCHOOL

To the Editor:

For the winter vacation some schoolmates went back to their homes for Chinese New Year; some joined in the work of land reform; but I, like most schoolmates remained living in the school. Every one of us remembered what we had been taught in political training, that we should do whatever was best for the benefit of the people. We, therefore, began to wonder what we should do. In the meantime, the government was urging the intelligensia to push the winter school program, especially in the villages where there are a lot of illiterate people. Also on the democratic wall of our school a notice was posted which said we ought to join in the work of the winter school, because it was indeed a good opportunity to do service for the people. As a good many schoolmates decided to join in I saw no reason why I should refuse this glorious work!

A week later we established a winter school's committee to manage the whole program. I was assigned to a section for women. The students were divided into three groups. When they called out "Sir!" to me in the first hour we met I was very happy, indeed I cannot write very clearly about my rapture during that time. I had never come into contact with peasants in a classroom before. In only a few moments we became good friends. They told me some of their knowledge of the country and I taught them how to read.

I taught in the winter school for one month. Though the time was short I gained a deep impression of the Chinese people at large.

We all remember two lines of a Chinese poem: "Wine and meat rot on the tables of the rich. Corpses lie frozen on the streets." We are glad that in China the situation is changed and the days of darkness are gone forever!

CHIN PEN-CHEN

Tsing Hua University
Peking
April 15, 1950

The Review's English Lesson CXXVII

Laoyachuang in 1946

We base this week's lesson on part of an article by John Hersey on what he found in the Liberated Areas village of Laoyachuang (老鴉莊), near Kalgan, in the early part of 1946. The passage we have chosen concerns rental reduction:

> Next came the most important item on the Communists' whole program—the reduction of rents. For many years, both before the war and under the Japanese, the average rent for land was 50 percent of the crop it produced. The Communists reduced the rents a flat 25 percent of the amount previously charged, and, depending on how oppressive they considered that a particular landlord had been, they also made the reduction retroactive for anywhere between one and six years—mostly two. . . Farmers' taxes in China are also paid in kind, usually shortly after the harvest. The Communists had about a month before harvest time in which to make their assessments. Under the Japanese, the tax rate had been 60 kilograms of millet per *mou*. . . and it did not matter whether the land was irrigable or dry or how much or how little land the farmer owned. The Communists introduced what they called the Reasonable-Burden Tax. . . The tax is on a sliding scale, like our own income tax. It is, however, complicated by a point system which indicates any tax-paying family's "wealth" on the basis of its size, the quantity and quality of its land, the number of animals it owns, and its indebtedness. . . A food allowance of fifteen *piculs* of millet for each person in a family is tax-exempt. . . In general, the most a small farmer (thirty *mou* or less) had to pay was about seven percent of his crop, while a big landlord had to pay up to 50 percent of his.

Item: an article; a separate particular in a list or series, as one of the points, rules or regulations in a program of action.

Communists': the possessive is used because the program belonged to the Communists. The plural possessive—the apostrophe placed *after* the "s"—is used because "Communists" are many separate individuals. Another way of putting the phrase would be, "on the whole Communist program."

Both before the war and under. . .: Note the "both. . . and. . ." construction, which in the present instance is used to indicate two separate periods of time, rather than concrete things or objects.

Under the Japanese: that is, when the people of the village were under Japanese domination.

Average rent: the arithmetical mean of all the rents, high, low and medium, paid in the village.

Flat 25 percent: "flat" here means exact and unvarying; that is, all rents, whether they had been high or low, were reduced by one-quarter.

Depending on: this introductory phrase means "according to." The following clause concerns the making of rent reductions retroactive; the ruling principle was based upon the degree of oppression of the peasant by the landlord.

A particular landlord: in each case; any landlord.

Retroactive: this adjective, applied to any piece of legislation or law, means that the law is made to extend in effect to any acts done during a certain period of time previous to enactment or promulgation of the law. So here, the rent reduction law was made to apply to rents collected up to six years before the law was imposed.

Mostly two: in most of the cases, rent reduction was made to cover a two year period before the law was promulgated.

Paid in kind: to pay taxes "in kind" is to give up a certain portion of the commodities one produces, rather than paying in money. Thus a farmer, instead of selling his crop for cash and paying his rent in cash, was forced to turn over to the landlord a large part of the crops he grew.

Assessment: to fix the amount of value for taxation purposes, or, as here, to fix the amount or rate of the tax itself.

Irrigable: capable of being irrigated.

Under the Japanese . . .: this sentence points out that the Japanese imposed a "flat" rate of tax of 60 kilograms per *mou*, taking no account of differing quality of land or economic level among the families of the village.

Introduced: brought into play, brought into use; instituted.

Sliding scale: a flexible, adjustable series of rates or fees. A sliding scale of taxation is one where the tax rate varies according to the amount of income and other factors. Thus, an income tax based on a sliding scale, as employed in the United States, means that an individual whose annual income is small might pay a 10 percent income tax, while one whose income is large might pay 70 percent or even more.

A point system: a means of calculation where various factors influence the rate, as of taxation; each factor is taken as a "point," and is added to or subtracted from the base, or mean, rate. The rest of this sentence, above, indicates some of the factors influencing the new tax rates in Laoyachuang.

Tax-exempt: not subject to taxation.

In general: on the average, taking the mean or average of all the families of the village.

Of his crop . . . of his: the word "crop" is omitted after the concluding phrase ("...up to 50 percent of his."); the parallel construction clearly indicates the meaning, and in such instances it is better to omit repetition of an unnecessary word.

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